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VOL. XXXIII.

DAIRY ACCOUNTS

BY

F. ROWLAND, A.C.A.

LONDON:
GEE & CO., PRINTERS AND PUBLISHERS, 34 MOORGATE STREET, E.C.
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1904

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EDITOR'S PREFACE.

THE object of the series of handbooks that is being published under heading of THE ACCOUNTANTS' LIBRARY is to provide, at a reasonable price, detailed information as to the most approved methods of keeping accounts in relation to all the leading classes of industry whose books call for more or less specialised treatment. No such series has hitherto been attempted; but there exist, of course, numerous separate works dealing with the accounts of one particular class of undertaking. These separate works are, however, for the most part either too expensive, or too superficial to answer the purpose that is particularly aimed at by THE ACCOUNTANTS' LIBRARY, which is intended to supply the student with that specialised information which he may require, while at the same time affording to the trader, banker, or manufacturer who is not in a position to secure the fullest information for his purpose, knowledge which can hardly fail to be of the very greatest assistance to him in the correct keeping of his accounts, upon a system specially adapted to his requirements, and therefore involving a minimum expenditure of labour. It is expected that the series will also be found of material assistance to bookkeepers of all classes.

Without aiming at giving an exhaustive account of the manner in which each separate business is conducted, the technical points in connection with each industry will receive as much attention as is necessary in order fully to elucidate the system of accounts advocated, while each volume will be the work of one who has made that particular class of accounts more or less a speciality. It is obvious, however, that to enable the necessary ground to be covered in the space available, it is incumbent to assume upon the part of the reader a certain knowledge of general bookkeeping. The extent of the knowledge assumed will vary according to the nature of the class of accounts considered. For example, in the volumes on "Bank Accounts" and "Shipping Accounts," a thorough acquaintance with ordinary double-entry bookkeeping is not unnaturally assumed; but in the case, for instance, of "Auctioneers' Accounts," "Domestic Tradesmen's Accounts," and other similar volumes, such explanations are included as will enable the ordinary intelligent reader fully to grasp the methods described even although his knowledge of bookkeeping may be of an elementary description. These explanations are, doubtless, superfluous as far as accountants are concerned, but are necessary to make the volumes of value to the majority of those specially engaged in these particular industries.

To subscribers for the whole series it may be added that, when completed, it will form a most valuable and practically complete library, dealing, at the hands of specialists, with practically every class of accounts, and illustrating the application

of the theory of double-entry as described in general works on bookkeeping.

The first series (of twenty volumes) has already been completed, and particulars of the subjects dealt with will be found on p. i. A second series (which will comprise about thirty more volumes) is now in progress, which when issued will complete the scheme. Many of these have already been arranged for, but the Editor will be glad to receive suggestions and offers from accountants of experience for the undertaking of volumes not yet announced.

34 Moorgate Street,
London, E.C.
June 1903.

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DAIRY ACCOUNTS.

CHAPTER I.

INTRODUCTION.

VERY few readers can claim to be unfamiliar with the cry of "Milk-oh" of the milk carrier, and still fewer can claim to be unacquainted with the commodity he vends. There are, however, hardly any businesses whose accounts have received so little treatment at the hands of accountants or in connection with which so little literature has hitherto appeared. This latter is probably, in a measure, due to the fact that it is within comparatively recent years that any organised system of accounts has been adopted by dairymen. The spirit of joint-stock enterprise has now entered even into this trade, and to-day we have a number of large companies engaged in the supply and delivery of milk and dairy produce. As these articles are of daily consumption, and of a perishable nature, a proper organisation, hygienic conditions, methodical habits, and punctuality are features of vital importance in a successfully conducted dairy business. In rural districts the farmer himself usually retails the milk and farm produce direct to the customer, but this is not possible in towns and great centres of business activity. Practically the whole of the milk and dairy produce consumed daily in London is brought from the outlying agricultural districts by train in the very early hours of each morning, when London is, for the most part, wrapped in the arms of Morpheus.

The buying and selling of milk constitutes nine-tenths of the whole of a dairyman's business. The trade in cream, butter, eggs, and sundry provisions (although fruitful sources of income in themselves) are but auxiliaries to the milk trade.

PURCHASES.

Milk.—

A contract is entered into with one or more farmers for the delivery of a stipulated quantity of milk each day at the dairy, at a stated hour, or at the nearest railway station by a certain train (according to circumstances and previous arrangement). Our London railway stations present a busy scene between the hours of 3 o'clock and 6 o'clock each morning, during which time most of the "train milk" is collected.

It is usual for these contracts to be entered into for a continuous supply for a period of six months from the 1st May to the 31st October and from the 1st November to the 30th April in each year, at a regular and fixed price per "barn gallon" (*i.e.*, eight imperial quarts or two imperial gallons). The reason for this is that the period from the 1st May to the 31st October includes the summer season, when cattle food-stuffs are cheap, consequently the price of milk is reduced, whilst during the second six months of the year the conditions are reversed. The difference in cost price between these two periods varies from 2d. to 4d. per barn gallon. Formerly it was customary for some farmers to sell their milk at an agreed price per barn gallon of 17 pints (or one extra pint to the usual barn gallon): some instances of this may even now occasionally be met with.

In cases where the dairyman keeps his own cows a separate account is kept of the "cost of keep" and the yield of milk. Otherwise the bookkeeping entries are similar to those where the milk is purchased. It may be stated that a churn of milk contains 17 imperial gallons, or 68 quarts.

Cream, Butter, Eggs.—

Some large dairy businesses make their own cream, and, in the case of very large concerns, even their own butter. In the majority of cases, however, the whole of the dairy produce is purchased either from the farmer direct, in the open market, or from dairy produce merchants. Eggs are usually purchased at a certain price per "long" hundred—that is, 120 eggs to each "hundred." The extra 20 apparently being allowed for breakages in transit and faulty eggs.

Sundry Provisions (*e.g.*, Tea, Mineral Waters, Honey, Cakes, &c.)—

The trade in sundry provisions is, for the most part, confined to small dairies. The purchases are made in the ordinary way from wholesale dealers.

SALES.

Milk.—

The retail selling price of milk usually remains the same—viz., 1d. per half-pint, or 2s. 8d. per barn gallon, whatever the season of the year, or whatever the cost price may be. There are, of course, certain exceptions to this rule, such as in the case of the sale of large quantities to hotels and other large establishments. It will be seen later that this fixed selling price is of considerable help in the bookkeeping, as the full price of 1d. per half-pint is always charged up in the books in the first instance, and any reduction is afterwards written off through an Allowance column.

Cream, Butter, Eggs, and Sundry Provisions.—

The selling prices of these naturally fluctuate in accordance with the market and cost prices.

BOOKKEEPING.

Before proceeding to explain the uses of the various books employed in a dairy business, it may be well to shortly explain the general objects and advantages of bookkeeping.

Bookkeeping is the art of keeping a clear and correct account of one's pecuniary affairs. It enables a business man to ascertain, at any time, the true condition of his business, telling him the exact amount of his income, his profits and losses, and how such profits and losses have arisen. It prevents him from inadvertently exceeding his means, it regulates the amount of his purchases and sales, and enables him to calculate to a nicety whether his expenses are in proportion to his profits. Various methods may be resorted to in obtaining these results, but all such methods will be based upon the same principles. These principles are the foundation of Double-entry Bookkeeping, the only system which ensures a complete and accurate account of one's business affairs.

"Double-entry" is so called because the record of every business transaction involves two entries, one relating to the giver, the other to the receiver; or, in other words, one relating to the creditor, the other being the debtor; the amount of each being, of course, identical.

The great object to be aimed at in a good system of bookkeeping is a *Maximum of Record* with a *Minimum of Labour*.

The books used in different businesses naturally vary in number, style, and designation, according to the size and class of the particular business; but the essential principles governing their keeping will be found to be eternally the same.

The books necessary for the system set out in the succeeding pages are:—

As regards *Purchases*:—

Goods Received Book.
Milk Stock Book.
Invoice or Purchase Book.
Bought Ledger.

As regards *Sales*:—

Customers' Order Book.
Milk Carriers' Book.
Milk Carriers' Round Summary Book.
Sales Day Book.
Weekly Summary of Sales Book.
Allowance Book.

As regards *Cash*:—

Daily Cash Received Book.
Petty Cash Book.
General Cash Book.

Transfer Journal.

Ledgers—Customers' Ledger.
General (or Nominal) Ledger.
Private Ledger.

Examples of ruling are given, with explanatory text, and a set of supposititious transactions of a dairy business are set out for one month, at the end of which final accounts are prepared, just as if the period covered was the usual half-year.

It has been thought well to make the example, in the first instance, as simple as possible, in order that the reader may be the better enabled to follow the system as a comprehensive whole.

Later chapters will be devoted to an explanation of the use of the additional books kept by dairy businesses possessing retail branch establishments, to the consideration of the statutory books to be kept in the case of limited companies engaged in the dairy trade, and to the books necessary for a small dairyman.

CHAPTER II.

It may be assumed that the dairy business in the following example has been purchased by the "Pure Milk Dairy Company" from the late proprietors—Messrs. John Brown & Co.

It may here be stated that dairy businesses are usually valued for purposes of Sale and Purchase upon the basis of the number of barn gallons of daily milk sales. The price often also including the value of the Trade Utensils, Fixtures, Fittings, and General Plant. For this illustration the agreed purchase-price is assumed to have been £15,000, or £40 per barn gallon of daily milk sales (viz.: 375), and that in addition the vendor's book debts are taken over at their full face value, less an allowance of 10 per cent., and that the Statement of Purchase Settlement is as appears on page 7.

Consequently the first step in the bookkeeping is to give effect to the figures of this statement in the Transfer Journal. (See pages 50-52.)

In passing, it may be pointed out that one of the most important features in connection with the purchase of a dairy business is that of the employees' agreements for service. Care should be taken to see that these are duly executed in favour of the purchaser, and that they respectively contain a covenant preventing the employee from entering into competition with the business, within a reasonable limit as to time and space, after leaving the employment.

Disastrous results might follow omission in this respect.

STATEMENT OF SETTLEMENT OF PURCHASE OF THE DAIRY BUSINESS AT 67 & 68 THE GREEN LONDON.

Account with Messrs. John Brown & Co. (Vendors), 1st December 1903.

Dr. A. Anderson and P. Lemon, trading as "The Pure Milk Dairy Company" (Purchasers) in *Cr.*

	£ s d	£ s d		£ s d	£ s d
To Amount of agreed Purchase Price ..	..	15,000 0 0	By Amount of Deposit made on signing Agreement to Purchase	..	1,500 0 0
" Book Debts as per Customers Ledgers, £1,212 10s., *less* 10 per cent. agreed allowance..	..	1,091 5 0	" Apportionment of Outstandings:— *Rent*:— Two months' Rent of Dairy Premises at £600 per annum, from the 29th of September 1903 ..	100 0 0	
" Apportionment of Outstandings:— Four months Poor Rate at £37 16s. for half-year paid in advance to the 25th of March 1904	.. 25 4 0		Two months' Rent of Stables at £150 per annum, from 29/9/03..	25 0 0	125 0 0
Eleven months Telephone Rent at £17 per annum paid in advance to the 31st of October 1904 ..	.. 15 11 8		*Rates*: General District Rate, Two months at £55 16s. for half-year to the 25th of March 1904, unpaid	18 12 0	
" Stock-in-Trade as per agreed Valuation:— Milk, 18 Barns at 1/8	1 10 0		Water Rate, Two months at £40 2s. 6d. for half-year to the 25th of March 1904, unpaid ..	15 7 6	
Cream, 13 Quarts at 2/-	1 6 0		Inhabited House Duty, 8 months at £33 15s. for year	22 10 0	
Butter, 340 lbs.	17 10 6				56 9 6
Eggs, 6,502	23 8 4		By Bank Draft to Balance	..	14,533 14 0
Sundry Provisions	21 18 0	65 12 10			
" Stock of Fuel taken over	..	2 10 0			
" " Fodder and Straw	..	15 0 0			
		£16,215 3 6			£16,215 3 6

To Messrs. The Pure Milk Dairy Company.

If there should be any outstanding Charges due or occurring at this date in respect of the property comprised in the above-mentioned purchase not included in the items allowed you as above, which may be a charge on the property which you may be lawfully called upon to pay, we agree to indemnify you therefrom and to recoup to you what you may pay in respect thereof, such charges being, if necessary, apportioned at this date, those accruing after this date to be borne by yourselves.

Received Bank Draft Value
Fourteen thousand and five hundred and thirty-three pounds fourteen shillings
1st December 1903.

John Brown & Co.

1.—Goods Received Book.—

All goods when delivered at the dairy should be accompanied by a Delivery Note, stating the quantity and class of goods delivered.

The goods received are checked against this Delivery Note, and an entry made in the Goods Received Book accordingly. In the case of milk received, the entries are made in the Milk Stock Book, which will be considered presently. The Delivery Notes are filed away in alphabetical order, so as to be easily referred to if necessary.

It not infrequently happens, however, that no Delivery Note accompanies the receipt of the goods, and probably an interval of a day or two takes place before the arrival of the invoice. It therefore becomes necessary to keep a "Goods Received Book," which, in reality, is a register of daily goods received. From the following specimen ruling it will be observed that columns are provided for Date, Name of Sender, Remarks on Condition when received, and, in addition, separate columns are provided for the departmental quantities received. The objects, therefore, of this book are to supply the means for checking the invoices, to ascertain departmentally the quantity of goods received daily into stock, and, at balancing periods, to ascertain what invoices have still to be received and entered into the books.

GOODS RECEIVED BOOK.

Date of Delivery	From whom received	Cream	Butter	Eggs	Sundry Provisions		Condition when received
		Quantity	Quantity	Quantity	Quantity	Description	

2.—Milk Stock Book.—

From the specimen ruling shown on the next page it will be noticed that on the left-hand side of this book are recorded the quantities of milk received daily, whilst on the other side appear the quantities sent out by each carrier; the form also shows the quantity returned (if any) by each carrier, and the net quantity accounted for. Then follow the various other deductions from Stock and the balance of Stock-on-hand; the difference between the two sides shows the quantity for the day unaccounted for (if any).

3.—Invoice (or Purchases) Book.—

The invoice, duly arriving, is checked with the Goods Received Book (if it relates to Goods Received), after which it is entered (both quantity and value) in the Purchases Book in order of date. The total amount of the invoice is entered in the "Total" column and analysed into the adjoining Analysis columns, according to the particulars contained in the invoice. An additional column is provided for the analysis of exceptional items for which no special column already exists. The items in this column are individually posted to the Ledger Account named in the column adjoining.

The invoices are filed away in numerical order at the end of each month. The total of each invoice is entered from this book to the right-hand or credit side of the sender's (or creditor's) account in the Bought Ledger. Goods returned are entered in red ink and posted to the opposite (*i.e.*, debit) side of the Bought Ledger. When the book is cast the addition of the red figures is deducted from that of the black, and the result, representing "Net Purchases," is entered as the total at the foot of the column. No separate Goods Returned Book is thus necessary. Columns are also provided in this book for an analysis of the general expenditure of the business in connection with which it is considered expedient to keep Personal Accounts in the Bought Ledger.

MILK STOCK BOOK, 1st DECEMBER 1903.

Stock Received	Total Received			Stock Issued	Sent out			Less Returned into Stock			Net Quantity Booked		
	Barn Galls.	Qts.	Pts.		Barn Galls.	Qts.	Pts.	Barn Galls.	Qts.	Pts.	Barn Galls.	Qts.	Pts.
To Stock brought forward—				By Round 1. M. : :									
				" 1. A. : :									
				" 2. M. : :									
				" 2. A. : :									
				" 3. M. : :									
				" 3. A. : :									
				&c. to end of Rounds : :									
				Total Carriers' Sales : :									
				" Shop Trade (Cash Sale of Milk) : :									
				" Allowed to Men and Employees : :									
				" Returned to Farmers : :									
				" Quantity separated for Cream : :									
				" Quantity perished and thrown away : :									
				" Stock on Hand carried forward : :									
				Deficiency : :									
Milk received :—				Total : :									

Morning				Afternoon			
Barns	Qts	Pts.		Barns	Qts.	Pts.	
			Total : :				

I

INVOICE (OR PURCHASES) BOOK.

I

Date	Invoice No.	Creditor's Name	Bought Ledger Folio	Total of Invoice	Milk		Cream.		Butter.	
					B. Qts.	Amount	Qts. Pts.	Amount	Lbs.	Amount
1903				£ s d		£ s d		£ s d		£ s d
Dec. 2		A. Green	1	65 0 6	..	..	..	..	625	31 5 0
		B. Greenfield	2	14 13 6	..	..	127 0½	12 15 0	..	..
5		H. Lane	3	96 9 3	..	..	..	..	918	44 10 9
		F. Young	4	23 4 0	..	..	..	..	..	..
6		G. Meadows	5	236 16 8	2,842 0	236 16 8	..	..	..	..
7		*G. Meadows .. Dr.*	5	*1 0 0*	*12 0*	*1 0 0*				
		G. W. Railway. Carriage on Butter	6	1 6 8	.	..	..	..	..	1 6 8
		Neville Bread Company.	7	21 3 4	..	..	..	..	..	..
14		G. Meadows	5	207 11 7	2,350 4	195 17 7	117 0	11 14 0	..	..
		A. Green	1	154 16 10	..	..	..	..	1,603½	80 3 6
16		H. Slocombe	8	2 13 8	..	..	..	..	..	..
21		G. Meadows	5	231 2 8	2,644 0	220 6 8	108 0	10 16 0	..	..
		A. Green	1	185 10 8	..	..	..	..	1,742	87 2 8
25		A. Carter, 1 Quarters Rent to date	9	150 0 0	..	..	..	..	..	..
28		G. Meadows	5	228 7 4	2,644 3	220 7 4	80 0	8 0 0	..	..
		A. Green	1	157 14 0	..	..	..	..	1,808	90 7 10
25		B. Room—Stable Rent ..	10	37 10 0	..	..	..	..	..	..
28		Collector of G. D. Rates, half-year to 25/3/04 ..	11	55 16 0	..	..	..	..	..	..
		Neville Bread Company..	7	24 10 6	..	..	..	..	..	..
		Collector of Water Rate, half-year to 25/3/04 ..	18	46 2 6	..	..	..	..	..	..
		R. Benger, Fodder Account for month	12	16 18 10	..	..	..	..	..	..
		Parkins & Gotto	13	15 10 6	..	..	..	..	..	..
		Cockrell & Co.	14	5 5 2	..	..	..	..	..	..
		E. Light Corporation ..	15	14 10 4	..	..	..	..	..	..
		Dairy Outfit Company—Can Repairs	16	5 10 2	..	..	..	..	..	..
		A. Williams—New Churn	17	3 10 0	..	..	..	..	..	..
		Window Cleaning Company	19	1 3 4	..	..	..	..	..	..
			£	2,001 18 0	10,468 7	£872 8 3	432 0½	£43 5 0	6,696½	£334 16 5
				P. Ledger 14	G. Ledger 1		G. Ledger 2		G. Ledger 3	

ANALYSIS.

Eggs.		Sundry Provisions		Rent, Rates, and Taxes	Fuel and Lighting	Printing, Stationery and Advertising	Horse-keep and Stable Expen's	Trade Expenses	Special Items.		
Quant'y	Amount	Details	Amount						Amount	Led'r folio	Particulars
	£ s d		£ s d	£ s d	£ s d	£ s d	£ s d	£ s d	£ s d		
8,084	26 12 0	5 cwt. Cake	7 3 6								
..	..	55 lbs. Honey	1 18 6								
15,732	51 18 6	S'ndries	23 4 0								
..	..										
..	..	S'ndries	21 3 4								
22,632	74 13 4										
..	..	..	..	..	..	..	2 13 8				
23,804	78 17 6	S'ndries	19 10 6								
..	..	..	..	150 0 0							
19,846	67 6 2										
..	..	..	..	..	..	..	37 10 0				
..	..	..	..	55 16 0							
..	..	S'ndries	24 10 6								
..	..	..	..	46 2 6							
..	..	..	..	..	..	..	16 18 10				
..	..	..	..	..	..	15 10 6					
..	..	..	..	..	5 5 2						
..	..	..	..	..	14 10 4						
..	..	..	..	..	..	..	..	..	5 10 2	G. Led'r 8	Repairs to cans
..	..	..	..	..	..	..	..	..	3 10 0	Priv'e Led'r 9	Loose Plant
..	..	..	..	..	..	..	..	1 3 4			
90,098	£299 7 6		£97 10 4	£251 18 6	£19 15 6	£15 10 6	£57 2 6	£1 3 4	£9 0 2		
G. Ledger 4		G. Ledger 5		G. Ledger 9	G. Ledger 10	G. Ledger 11	G. Ledger 12	G. Ledger 6			

BOOKKEEPING ENTRY. *Debit.*—Departmental Trading Accounts and Sundry Impersonal Accounts respectively in General and Private Ledgers as per headings of Analysis columns.
Credit.—Bought Ledger Account in Private Ledger with Amount of "Total" column.

The Postings to the Personal Accounts in the Bought Ledger are regarded as purely statistical Entries.

At the end of each month the Purchases Book is totalled and ruled off, when the cross-addition of the totals of the respective analytical columns should, in the aggregate, agree with the addition of the "Total" column. This done, the figures of the "Total" column are credited to an account called Bought Ledger Account, opened in the Private Ledger (the object and use of this account is explained later in Chapter VI.), and the totals of the respective analytical columns, both quantity and value, are correspondingly debited to accounts opened in the Private Ledger, as per the column headings, thus completing the "double-entry."

4.—Purchases or Bought Ledger.—

The ruling of this book is in ordinary Double-entry Ledger form, thus:—

BOUGHT LEDGER.

1—*Dr.* A. GREEN. *Cr.*—**1**

1903			£ s d	1903			£ s d
Dec. 14	To Cash & Discount 17/4	1	219 17 4	Dec. 2	By Goods	1	65 0 6
				14	" "	1	154 16 10
28		£219 17 4				£219 17 4	
28	To Cash & Discount 7/8	1	343 4 8	21	By Goods	1	185 10 8
				28	" "	1	157 14 0
		£343 4 8				£343 4 8	

2—*Dr.* B. GREENFIELD. *Cr.*—**2**

			£ s d	1903			£ s d
				Dec. 15	By Goods	1	14 13 6

3—*Dr.* H. LANE. *Cr.*—**3**

1903			£ s d	1903			£ s d
Dec. 16	To Cash	1	96 9 3	Dec. 5	By Goods	1	96 9 3

4—*Dr.* F. YOUNG. *Cr.*—**4**

1903			£ s d	1903			£ s d
Dec. 8	To Petty Cash ..	1	0 4 0	Dec. 6	By Goods	1	23 4 0

5—*Dr.* G. MEADOWS. *Cr.*—**5**

1903			£ s d	1903			£ s d
Dec. 7	To Returns	1	1 0 0	Dec. 6	By Goods	1	236 16 8
21	" Cash	1	443 8 3	14	" "	1	207 11 7
	£444 8 3				£444 8 3		
28	To Cash	1	£231 2 8	21	By Goods	1	£231 2 8
				28	By Goods	1	228 7 4

6—*Dr.* GREAT WESTERN RAILWAY COMPANY. *Cr.*—**6**

			£ s d	1903			£ s d
				Dec. 7	By Carriage	1	1 6 8

7—*Dr.* NEVILLE BREAD COMPANY. *Cr.*—**7**

			£ s d	1903			£ s d
				Dec. 7	By Goods	1	21 3 4
				28	" "	1	24 10 6

8—*Dr.* H. SLOCOMBE. *Cr.*—**8**

			£ s d	1903			£ s d
				Dec. 16	By Harness Repairs	1	2 13 8

9—*Dr.* A. CARTER. *Cr.*—**9**

1903			£ s d	1903			£ s d
Dec. 26	To Cash	1	150 0 0	Dec. 25	By Rent — Quarter Year to date ..	1	150 0 0

10—*Dr.* B. ROOM. *Cr.*—**10**

1903			£ s d	1904			£ s d
Dec. 26	To Cash	1	37 10 0	Dec. 25	By Rent of Stables—Quarter Year to date	1	37 10 0

11—*Dr.* COLLECTOR OF GENERAL DISTRICT RATES. *Cr.*—**11**

	£ s d				£ s d
		1903 Dec. 28	By General District Rates to 25/3/04	1	55 16 0

12—*Dr.* R. BENGER. *Cr.*—**12**

	£ s d				£ s d
		1903 Dec. 28	By Fodder for month	1	16 18 10

13—*Dr.* PARKINS & GOTTO. *Cr.*—**13**

	£ s d				£ s d
		1903 Dec. 28	By Stationery ..	1	15 10 6

14—*Dr.* COCKRELL & CO. *Cr.*—**14**

	£ s d				£ s d
		1903 Dec. 28	By Coals	1	5 5 2

15—*Dr.* ELECTRIC LIGHT CORPORATION. *Cr.*—**15**

	£ s d				£ s d
		1903 Dec. 28	By Electric Light .	1	14 10 4

16—*Dr.* DAIRY OUTFIT COMPANY. *Cr.*—**16**

	£ s d				£ s d
		1903 Dec. 28	By Can Repairs ..	1	5 10 2

17—*Dr.* A. WILLIAMS. *Cr.*—**17**

	£ s d				£ s d
		1903 Dec. 28	By New Churn ..	1	3 10 0

18—*Dr.* COLLECTOR OF WATER RATE. *Cr.*—**18**

	£ s d				£ s d
		1903 Dec. 28	By Water Rate—Half Year to 25/3/04	1	46 2 6

19—*Dr.* WINDOW CLEANING COMPANY. *Cr.*—**19**

	£ s d				£ s d
		1903 Dec. 28	By Window Cleaning	1	1 3 4

An account is opened in this Ledger for each person from whom goods are purchased, or to whom liability has arisen. The amount of each invoice is posted from the Invoice or Purchases Book to the right-hand (or credit) side of the respective creditors' account. The items on the debit or left-hand side of this Ledger are entered from the General Cash Book (for the cheque drawn in settlement and cash discounts allowed) and from the Purchases Book (for the goods returned), as indicated in red ink in the latter book.

Having completed the postings to the Bought Ledger, the following is a list of the balances appearing thereon at the end of the month, which agrees with the balance of the account in the Private Ledger, called "Bought Ledger Account," as explained later in Chapter VI.

LIST OF BOUGHT LEDGER BALANCES.

28TH DECEMBER 1903.

		£ s d
A. Greenfield	2	14 13 6
F. Young	4	23 0 0
G. Meadows	5	228 7 4
Great Western Railway Company	6	1 6 8
Neville Bread Company	7	45 13 10
H. Slocombe	8	2 13 8
Collector of General District Rates	11	55 16 0
H. Benger	12	16 18 10
Parkins & Gotto	13	15 10 6
Cockrell & Co.	14	5 5 2
Electric Light Corporation	15	14 10 4
Dairy Outfit Company	16	5 10 2
A. Williams	17	3 10 0
Collector of Water Rate	18	46 2 6
Window Cleaning Company	19	1 3 4
As per Balance of Bought Ledger Account in Private Ledger..		£480 1 10

CHAPTER III.

5.—Customers' Order Book.—

ORDERS received by the carriers are entered into an Order Book on the return of the carrier from his "round." The goods are put up in accordance with the order, ready for the milk carrier to deliver on his next "round," or for delivery by special messenger. A note of the date delivered and the means of delivery is made against the entry of the order. At the end of each day the details of the orders executed, as per the Order Book, are entered into the Detailed Day Book, and from thence to the debit of the customer in the Customers' Ledger.

In cases where such orders are numerous, this book may be supplemented by "Value" columns, and used as an auxiliary Day Book, the day's total thereof only being carried into the Detailed Day Book at the end of each day. Some dairies even keep a separate book for each carrier's orders.

6.—Milk Carrier's Book.—

On pages 20-21 is shown a specimen page of this book, which is kept by the carrier, and shows the quantity of milk delivered by him to each customer on his "round."

Columns are provided for the morning and afternoon of each day, and the ruling of each page serves for the entries of a fortnight. At the end of the day the quantities of the two

CUSTOMERS ORDERS TO CARRIERS.

Name	Address	Time and Place of Delivery	Milk		Cream		Butter	Eggs	Provisions		Initial of person packing goods ready for delivery	Day Book Folio
			Qts.	Pts.	Qts.	Pts.	Lbs.	Quantity	Quantity	Class		
			2nd	*Dece*	*mber*	1903						
Round 1—												
A. Jones	1 Green Lanes ..	7 a.m. sharp..	..	..	..	..	..	..	3 2d. Loaves	Bread	J. J.	1
L. Rose	5 Grove Terrace..	6.30 a.m. at George Hotel	..	..	..	¾	½ D	NL 6d.	..	..	J. J.	1
H. Bloom	13 Golden Hill ..	7 a.m. New Customer ..	..	1	..	..	..	..	..	..	J. J.	1
etc., etc.												
Round 2, and so on to end of Rounds												

Round 1. MILK CARRIERS' BOOK.

Fortnight ending 14th December 1903.

Name of Customer	Sunday		Monday		Tuesday		Wednesday		Thursday		Friday	
	Morning	Afternoon	Morning	Afternoon	Morning	Afternoon	Morning	Afternoon	Morning	Afternoon	Morning	Afternoon
Green Lanes:—												
1. A. Jones	10	10	8	8	6	8	6	8	6	8	4	8
3. E. Keene	2	12	2	3	2	3	2	2	2	3	2	2
5. R. Black	8	4	5	3	4	2	4	1	4	2	4	4
7. J. Elpheck	5	4	5	3	6	3	5	4	4	3	5	3
Grove Terrace:—												
1. R. Weir	6	6	2	4	2	4	2	4	2	4	2	4
3. G. Andrew	11	6	5	6	7	5	7	4	6	4	6	4
5. L. Rose	8	4	8	2	8	2	8	2	8	2	8	2
7. T. Lilly	1	1	1	4d.pd. 1	..	2d.pd. 2	1	2d.pd. 1	..	2d.pd. 2	1	2d.pd. 1
Golden Hill:—												
1. A. Macpherson ..	8	2	9	2	8	2	8	2	8	2	9	2
2. E. Ashton	14	2	8	3	10	2	10	3	10	2	10	2
3. J. Murray	12	8	12	4	12	5	12	6	12	5	10	5
4. H. Bloom	2	2	2	7d.pd. 1	2	3d.pd. 1	2	3d.pd. 1		3d.pd. 1	2	3d.pd. 1
Chance Customers ..	1	2	..	6d.pd. 3	1d.pd. 1	..	..	4d.pd. 4	2	3d.pd. 1	3	4d.pd. 1
	88	63	67	43	68	39	67	42	66	39	66	39
Daily total	151 = 12/7		110 = 9/2		107 = 8/11		109 = 9/1		105 = 8/9		105 = 8/9	

Saturday		Sunday		Monday		Tuesday		Wednesday		Thursday		Friday		Saturday	
Morning	Afternoon	Morning	Afternoon	Morning	Afternoon	Morning	Afternoon	Morning	Afternoon	Morning	Afternoon	Morning	Afternoon	Morning	Afternoon
6	8														
2	4														
4	3														
6	5														
2	4														
4	6														
8	4														
2d.pd.															
2	..														
8	2														
10	3														
12	6														
2	3d.pd. 1														
..	4d.pd. 4														
66	50														
116 = 9/8															

deliveries are added together and entered to the debit of the respective customers' accounts in the Customers' Ledger.

The total for the day should agree with the figures in the "Net Quantity Booked" column of the "Milk Stock Book." If three deliveries are made each day an additional column must be provided, or, as is done in some cases, the details of this third delivery might be entered as a Credit Sale in the Day Book. The items would necessarily be few, as the third delivery is usually for cooking milk, and takes place about 11 o'clock each morning. The carrier also enters in this book the various items of Cash he receives when on the "round."

DAILY SUMMARY OF CARRIERS'

	Sunday		Monday		Tuesday		Wednesday		Thursday		Friday		Saturday	
	Quantity	Value	Quantity	Value	Quantity	Value	Quantity	Value	Quantity	Value	Quantity	Value	Quantity	Value
		£ s d		£ s d		£ s d		£ s d		£ s d		£ s d		£ s d
Round 1 ..														
" 2 ..														
" 3 ..														
" 4 ..														
" 5 ..														
" 6 ..														
&c.														

CASH SALES.

Cash Sales are best recorded, and analysed, by means of a Check Cash Till provided with a roll of paper, ruled with analytical columns for quantity and amount thus:—

RULING OF PAPER ROLL FOR CASH TILL.

Milk		Cream		Butter		Eggs		Sundry Provisions	
Half Pints	Amount	Pints	Amount	lbs.	Amount	Quantity	Amount	Details	Amount
	s d	*Mon*	*day, Dece*	*mber*	*1st* 1903		s d		s d
1	0 1	⅛	0 4	..	0 3½				
..	..	..	..	..	..	10	1 0		
..	..	..	..	..	..	..	..	Honey	0 6
2	0 2	⅛	0 3	¼ F	0 5				
..	..	..	..	..	..	12	1 6		
..	..	..	..	..	..	..	.	½ Tea	0 4
3	0 3	⅛	0 4	..	..				
..	..	..	..	½ B	0 10	..	..		
..	..	½	1 0	..	..	20	1 8		
½	0 0½								
25	2 1	1½	2 2	3¾	5 5½	110	11 7		1 0¾

Total for the Day £1 2s. 4¼d.

The above is a specimen showing the total of one Day's Cash Sales totalled, agreed with Cash in Till, and entered in Detailed Day Book, and again in Daily Cash Received Book.

A space of several inches square is provided in the centre of the cover of the till, in which a portion of the roll of paper is exhibited. The greater part of this space is covered with a piece of clear glass, the remainder is used for making the entry of the quantity, and amount, of the sale effected. The effect of opening the till for the purpose of putting in the money is to slightly shift the paper so as to provide for the next entry. At the end of the day the till is opened, and the cash taken out and counted. The paper roll is also removed, and the columns

cast and agreed with the cash, after which the remainder of the unused paper roll is re-inserted in the till ready for the next day's operations. The daily total of Departmental Cash Sales, thus readily ascertained, is entered into the Day Book. An entry is also made in the Daily Cash Received Book for the total cash takings of the day.

For the time being, therefore, the daily total of Cash Sales is treated in precisely the same manner as a customer.

8.—Sales Day Book.—

On pages 26-29 is a specimen ruling of this book, from a perusal of which it will be seen that columns are provided for the Total and Departmental Analysis, with Quantities, of the Sales effected. The Credit Sales at the dairy are entered in detail, and at the end of the day the total of the milk carriers' sales are entered from the "Milk Carriers' Round Summary Book" (if one is kept), or from the daily totals of the Customers' Ledgers.

The total of the Cash Sales for the day is also entered from the roll of the cash till.

The items are cast, and the total shows the whole of the Sales for the day analysed into the various departments. This process is continued day by day until the end of the week, when the weekly totals are ascertained and entered into the Weekly Summary of Sales Book. The individual items of the Sales Day Book are entered daily to the debit of the customers in the Customers' Ledger, the Cash Sales being entered on a separate page, as shown in the example on pages 48-49. The details of the carriers' milk sales will, of course, have been already entered from the Carriers' Round Book when "booking in" at the end of the day, so that no further entry is necessary as regards the totals of these.

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SALES DAY BOOK. I

Name	Address	Ledger Folio	Total	Milk: Quantity B'rns. Qts. Pts.	Milk: Value	Cream: Quantity Qts. Pts.	Cream: Value	Butter: lbs.	Butter: Q'lity	Butter: Value	Eggs: Quantity	Eggs: Value	Sundry Provisions: Particulars	Sundry Provisions: Value
Sunday, December 1st 1903.			£ s d		£ s d		£ s d			£ s d		£ s d		£ s d
A. Jones	1 Green Lanes ..	1	0 0 6	..	..								Bread ..	0 0 6
E. Keene	3 " " ..	1	0 1 0	..	..								Honey ..	0 1 0
R. Black	5 " " ..	1	0 1 0	..	..									
J. Elpheck	7 " " ..	1	0 0 2	1	0 0 2									
G. Andrew	3 Grove Terrace ..	1	0 0 10	½	0 0 1									
L. Rose	5 " " ..	1	0 2 1	..	..									
A. Macpherson	1 Golden Hill ..	1	0 1 2	..	..									
E. Ashton	2 " " ..	1	0 1 4	..	..									
J. Murray	3 " " ..	1	0 1 7	1½	0 0 3									
Carriers' Milk Sales ..	(as per Round Summary Book)	√	0 12 7	4 5 1½	0 12 7									
Further imaginary items posted to Customers'	of Credit Sales Ledger	2	80 0 0	363 6 0	48 10 0									
			£81 2 3	368 5 0½	£49 3 1	15 0	3 0 0	230	..	13 0 0	3,168	11 0 0	..	4 10 0
Monday, December 2nd 1903.														
G. Andrew	3 Grove Terrace ..	1	0 0 7	3½	0 0 7									
L. Rose	5 " " ..	1	0 0 10	..	..									
A. Macpherson	1 Golden Hill ..	1	0 0 6	..	..									
E. Ashton	2 " " ..	1	0 0 4	..	..									
Carriers' Milk Sales ..	(as per Round Summary Book)	√	0 9 2	3 3 1	0 9 2									
Cash Sales	(as per Total of Roll of Check Till) ..	3	1 2 4½	6 0½	0 2 1									
Further imaginary items posted to Customers'	of Credit Sales Ledger	2	80 0 0	363 6 0	48 10 0									
			£81 13 9½	368 0 1	£49 1 10	15 0	3 0 0	230	..	13 0 0	3,168	11 0 0	..	4 10 0
Tuesday, December 3rd 1903.														
A. Jones	1 Green Lanes ..	1	0 0 2	..	..									
E. Keene	3 " " ..	1	0 1 4	..	..									
R. Black	5 " " ..	1	0 0 9	..	..									
J. Elpheck	7 " " ..	1	0 1 11	..	..									
G. Andrew	3 Grove Terrace ..	1	0 0 11	1 0	0 0 2									
L. Rose	5 " " ..	1	0 1 3	..	..									
A. Macpherson	1 Golden Hill ..	1	0 1 2	..	..									
E. Ashton	2 " " ..	1	0 0 4	..	..									
J. Murray	3 " " ..	1	0 1 6	3	0 0 6									
Carriers' Milk Sales ..	(as per Round Summary Book)	√	0 8 11	3 2 1½	0 8 11									
Cash Sales	(as per Total of Roll of Check Till) ..	3	1 0 2	6 0¾	0 2 1									
Further imaginary items posted to Customers'	of Credit Sales Ledger	2	80 0 0	363 6 0	48 10 0									
			£81 18 5	368 0 2¼	£49 1 8	15 0	3 0 0	230	..	13 0 0	3,168	11 0 0	..	4 10 0
Wednesday, December 4th 1903														
G. Andrew	3 Grove Terrace ..	1	0 1 3	..	..									
L. Rose	5 " " ..	1	0 0 6	..	..									
A. Macpherson	1 Golden Hill ..	1	0 0 8	..	..									
Carriers' Milk Sales ..	(as per Round Summary Book)	√	0 9 1	3 3 0½	0 9 1									
Cash Sales	(as per Total of Roll of Check Till) ..	3	1 4 4	1 4 1	0 4 2									
Further imaginary items posted to Customers'	of Credit Sales Ledger	2	80 0 0	363 6 0	48 10 0									
			£81 15 10	368 6 1¼	£49 3 3	15 0	3 0 0	230	..	13 0 0	3,168	11 0 0	..	4 10 0
Carried forward ..	..	..	326 10 3¾	000 0 0	196 9 10	15 0½	£3 1 5	239½		£13 9 0½	3,303	£11 9 7		£4 12 6½
						00 0	12 7 7	000	..	53 7 11½	13,109	45 13 10	..	18 11 1¼

2 SALES DAY

Name	Address	Ledger Folio	Total	Milk	
				Quantity B'rns. Qts. Pts.	Value
			£ s d		£ s d
Brought forward ..	..	..	326 10 3¼	000 0 0	196 9 10
Thursday, December 5th 1903.					
A. Jones	1 Green Lanes ..	1	0 1 0	..	..
E. Keene	3 „ „ ..	1	0 0 5	..	..
R. Black	5 „ „ ..	1	0 1 0	..	..
J. Elpheck	7 „ „ ..	1	0 0 1	½	0 0 1
R. Weir	1 Grove Terrace ..	1	0 0 6	..	..
G. Andrew	3 „ „ ..	1	0 1 0	1½	0 0 3
L. Rose	5 „ „ ..	1	0 0 4	..	..
E. Ashton	2 Golden Hill ..	1	0 0 7	..	..
Carriers' Milk Sales ..	(as per Round Summary Book)	✓	0 8 9	3 2 0½	0 8 9
Cash Sales	(as per Total of Roll of Check Till)	3	1 0 7	7 1½	2 7
Further imaginary items posted to Customers'	of Credit Sales Ledger	2	80 0 0	363 6 0	48 10 0
			£81 14 3	368 1 0	£49 1 8
Friday, December 6th 1903.					
J. Elpheck	7 Green Lanes ..	1	0 1 2	..	..
R. Weir	1 Grove Terrace .	1	0 0 2	..	..
G. Andrew	3 „ „ ..	1	0 0 9	..	..
L. Rose	5 „ „ ..	1	0 1 3	..	..
A. Macpherson	1 Golden Hill ..	1	0 0 6	..	..
E. Ashton	2 „ „ ..	1	0 0 4	..	..
Carriers' Milk Sales ..	(as per Round Summary Book)	✓	0 8 9	3 2 0½	0 8 9
Cash Sales	(as per Total of Roll of Check Till) ..	3	1 10 3½	6 0½	0 2 1
Further imaginary items posted to Customers'	of Credit Sales Ledger	2	80 0 0	363 6 0	48 10 0
			£82 3 2½	367 6 1	£49 0 10
Saturday, December 7th 1903.					
J. Elpheck	7 Green Lanes ..	1	0 0 6	3	0 0 6
R. Weir	1 Grove Terrace ..	1	0 0 2	..	..
G. Andrew	2 „ „ ..	1	0 0 9	..	..
A. Macpherson	1 Golden Hill ..	1	0 0 8	..	..
E. Ashton	2 „ „ ..	1	0 0 4	..	..
Carriers' Milk Sales ..	(as per Round Summary Book)	✓	0 9 8	3 5 0	0 9 8
Cash Sales	(as per Total of Roll of Check Till) ..	3	2 17 6¼	1 1 0¾	0 3 1½
Further imaginary items posted to Customers'	of Credit Sales Ledger	2	81 0 0	367 3 1½	49 0 0
			£84 9 7¼	372 3 1½	£49 13 3½
	Total for Week ..		£574 17 4	2,582 0 1½	£344 5 7½

BOOK.—*continued.* 2

Cream		Butter			Eggs		Sundry Provisions	
Quantity Qts. Pts.	Value	lbs.	Q'lity	Value	Quantity	Value	Particulars	Value
	£ s d			£ s d		£ s d		£ s d
00 0	12 7 7	000		53 7 11½	13,109	45 13 10	..	18 11 1½
					10	0 1 0		
..	..	..	..	..	..	..	Bread	0 0 5
..	..	..	..	..	10	0 1 0		
..	..	..	..	..				
½	0 0 2	¼	F	0 0 4				
½	0 0 2	¼	D	0 0 7				
..	..	¼	F	0 0 4				
⅛	0 0 3	¼	F	0 0 4				
¼	0 0 7	4½	..	0 6 0	129	0 8 9½	..	0 2 7½
15 0	3 0 0	230	..	13 0 0	3,168	11 0 0	..	4 10 0
15 0½	£3 1 2	235¾		£13 7 7	3,317	£11 10 9½		£4 13 0½
..		1	D	0 1 2				
½	0 0 2	½	D	0 0 7				
½	0 0 2	½	F	0 0 8	..	..	Honey ..	0 0 7
..	..	..	..	..	6	0 0 6		
..	..	..	..	..				
..	..	..	¼	F 0 0 4				
⅛	0 0 5	11	..	0 11 2	181	0 13 1	..	0 3 6½
15 0	3 0 0	230	..	13 0 0	3,168	11 0 0	..	4 10 0
15 0	£3 0 9	243¼		£13 13 11	3,355	£11 13 7		£4 14 1½
½	0 0 2							
½	0 0 2	½	D	0 0 7				
..	..	¼	F	0 0 8				
..	..	¼	F	0 0 4				
½	0 1 4	32½	..	1 2 9	280	1 2 7½	..	0 7 8¼
15 0	3 0 0	147¾	..	12 0 0	4,699	14 0 0	..	3 0 0
16 0	£3 1 8	181½		£13 4 4	4,979	£15 2 7½		£3 7 8¼
108 0	£21 11 2	1,606		£93 13 9	24,760	£84 0 10		£31 5 11½

WEEKLY SUMMARY OF SALES BOOK.

Date	Particulars	Folio	Total	Milk			Cream			Butter			Eggs			Sundry Provisions		
				B'rns.	Qts.	Pts.	Qts.	Pts.	Value	lbs.	Value		Quantity	Value			Value	
			£ s d						£ s d		£ s d			£ s d			£ s d	
1903 Dec. 7	Sales for Week, per Day Book ..	2	574 17 4		2,582	0	108	0	21 11 2	1,606	93 13 9		24,760	84 0 10			31 5 11½	
	(*Note.*—The following are imaginary Entries for each of the three succeeding weeks of the month, which Entries will, of course, be taken from the Day Book, as in the case of the above example:—)																	
14	Sales for Week, per Day Book ..		571 6 8	*½ Skim.*	2,591	2	98	1	19 13 8	1,629 10	95 1 3		24,620	84 1 9			26 9 10	
21	Sales for Week, per Day Book ..		581 2 9	*½ Skim.*	2,626	5	100	1	20 5 4	1,632 6	98 2 9		22,364	80 2 10			31 17 4	
28	Sales for Week, per Day Book ..		580 14 9	*6 Skim.*	2,543	0	127	1½	25 8 7	1,629 2	95 0 7		17,710	89 11 5			31 4 10½	
			£2,308 1 6		10,343	1	434	1½	£86 18 9	6,547 2	£381 18 4		89,454	£337 16 10			£120 18 0	
			P. Ledger 15		*Skim.* 30	1 0	£1,379 1	4 7 / 5 0	G. Ledger 2		G. Ledger 3		G. Ledger 4				G. Ledger 5	

BOOKKEEPING ENTRY:—*Debit*—Customers' Ledger Account in Private Ledger with amount of "Total" column. (The detailed postings from the Day Book to the Customers' Ledger are regarded as purely statistical.)

Credit—Departmental Trading Accounts in General Ledger as per respective headings of Analysis columns.

9.—Weekly Summary of Sales Book.—

This book is used for the summarising of the total (and departmental analysis) of the Weekly Sales as per the Day Book. In a business of any magnitude the Day Book becomes so crowded with detail as to render it impossible to preserve the continuous daily additions for a longer period than one week. A line is taken for each week's total.

At the end of each month this book is cast. The cross addition of the totals of the analytical columns is agreed with the addition of the Total column. The Departmental Trading Accounts in the General Ledger are respectively credited with the totals (both quantities and values) of the analytical columns, and the Customers' Ledger Account in the Private Ledger is correspondingly debited with the total as further explained in Chapter VI. later.

10.—Allowance Book.—

The use of this book is similar to that of the "Weekly Summary of Sales" Book, save that the figures in this book are those of the weekly analysed total of the Allowances column of the Customers' Ledger. A column is provided for each department, Bad Debts, and Discounts. At the end of each month this book is added and ruled off, and the cross addition of the totals of the Analysis columns agreed with the addition of the Total column. The totals of the Analysis columns are then respectively posted to the General Ledger to the debit of accounts opened in accordance with the heading of the Analysis columns, and a corresponding credit made to the Customers' Ledger Account in the Private Ledger, as further explained in Chapter VI.

The following is a specimen of this book:—

ALLOWANCES BOOK.

Week Ending		Ledger Folio	Total	Analysis of Allowances. Milk	Cream	Butter	Eggs	Sundry Provisions	Bad Debts	Cash Discounts
1903 Dec. 7	Round 1	1	£ s d 24 11 10½	£ s d 0 1 3	£ s d 0 0 3	£ s d 0 0 3	£ s d 0 0 6½	£ s d ..	£ s d 24 8 8	£ s d 0 0 11
	Further Rounds, a line being given to each, if necessary.)		Below are imaginary Entries for each of the three succeeding weeks of the month							
14	Round 1		1 12 7	0 11 6	0 0 4	0 7 9	0 10 8	0 1 4	..	0 1 0
	(Further Rounds, &c.)									
21	Round 1		1 14 10	0 12 4	0 0 6	0 8 3	0 1 6	0 1 2	..	0 11 1
	(Further Rounds, &c.)									
28	Round 1		32 5 2	0 13 2	0 0 8	0 5 4	0 4 9	0 0 7	30 10 2	0 10 6
	(Further Rounds, &c.)									
	Total for Month		£60 4 5½	£1 18 3	£0 1 9	£1 1 7	£0 17 5½	£0 3 1	£54 18 10	£1 3 6
			P. Led. 15	G. Led. 1	G. Led. 2	G. Led. 3	G. Led. 4	G. Led. 5	P. Led. 20	G. Led. 13

BOOKKEEPING ENTRY :—

Debit.—Departmental, &c., Accounts in General Ledger, as per headings of Analysis columns.

Credit.—Customers' Ledger Account in Private Ledger.

CHAPTER IV.

11.—Daily Cash Received Book.—

In this book columns are provided for each day of the week. The first few lines of each page are left for the entry in total of the daily cash received by the carriers, and a line immediately following for the daily total of Cash Sales. Then follow the items of cash received at the dairy from credit customers during each day. Each day's total of cash received is thus readily ascertained, and at the end of the week the cross addition of the daily totals gives the total of cash received for the week. This total should also agree with a summary of the weekly Cash columns of the Customers' Ledger. A column is also provided for the Transfers to the General Cash Book of payments into bank, and, by the adoption of the sound principle of paying all cash receipts intact to the bank, the total of this column is agreed with the total cash received for the week. Each week is started on a new page. Any necessary payments which it is desired to make in cash are made out of the petty cash, as explained when dealing with the Petty Cash Book in the next paragraph.

12.—Petty Cash Book.—

Petty Cash should be kept altogether separate and distinct from other cash.

The best system of keeping Petty Cash is on what is known as the "Imprest System." "Imprest" means advance or loan. Under this system the Petty Cash is started by drawing a cheque

1 DAILY CASH RECEIVED BOOK. 1

Name	Address	Discount	Week Ending December 7th 1903. Dec. 1 *Sunday	Dec. 2 Monday	Dec. 3 Tuesday	Dec. 4 Wednesday	Dec. 5 Thursday	Dec. 6 Friday	Dec. 7 Saturday	Transferred to General Cash Book for payment into Bank	General Cash Book Folio
			Led. Fol. Amount	Led. Fol. Amount	Led. Fol. Amount	Led. Fol. Amount	Led. Fol. Amount	Led. Fol. Amount	Led. Fol. Amount	Date Amount	
		£ s d	£ s d	£ s d	£ s d	£ s d	£ s d	£ s d	£ s d	£ s d	
Round 1 (Further Rounds) ..	..	..	1 0 1 5	1 0 0 6	1 0 0 8	1 0 0 9	1 0 0 8	1 0 0 9	1 0 0 9	1903	
	..	..	2 100 0 0	2 80 0 0	2 80 0 0	2 80 0 0	2 80 0 0	2 80 0 0	2 80 0 0	Dec. 3 216 13 10	1
Cash Sales ..	..	..	3 1 2 4½	3 1 0 2	3 1 4 4	3 1 0 7	3 1 10 3½	3 2 17 6½		„ 5 124 2 10	1
F. Keene ..	3, Green Lanes ..	..	.. ..	1 14 9 5	1 22 17 9	1 26 4 3				„ 6 139 6 6	1
L. Rose ..	5, Grove Terrace	..	.. ..	.. ..	.. ..	.. ..				„ 8 102 18 4	1
E. Ashton ..	2, Golden Hill ..	0 0 11	.. ..	.. ..	.. ..	.. ..					
Daily Totals ..	.. ..	..	£ ..	£101 3 9½ ..	£95 10 1 ..	£104 2 10 ..	£107 15 6 ..	£81 11 0½ ..	£82 18 3½	.. £573 1 6	
Weekly Total Discount ..		£0 0 11		Weekly Total .. £573 1s. 6d.							

*Cash received by Carriers on Sundays is entered up as if received on Mondays.

The following are the weekly totals of imaginary items for each of the three succeeding weeks of the month.

Daily Totals ..	..	..	..	£110	1	8	.. £112	1	7 .. £104	8	2 .. £133	1	9 .. £112	3	4 .. £100	13	7	..	£672	10	1
Weekly Total Discount ..		£0	1	0	Weekly Total .. £672 10s. 1d.																
Daily Totals ..	..	..	..	£100	10	3	.. £99	6	8 .. £134	2	10 .. £101	11	6 .. £118	9	4 .. £114	3	8	..	£668	4	3
Weekly Total Discount ..		£0	11	1	Weekly Total .. £668 4s. 3d.																
Daily Totals ..	..	..	..	£124	1	6	.. £128	10	9 .. £112	8	1 .. £100	4	5 .. £119	4	10 .. £97	12	2	..	£682	1	9
Weekly Total Discount ..		£0	10	6	Weekly Total .. £682 1s. 9d.																

for a round sum, say, £10 or £5, sufficient to last a reasonable time (according to the amount and number of transactions likely to pass through the Petty Cash Account). This sum having been drawn by cheque is posted from the General Cash Book to the debit of the Cashier's Account in the General Ledger. A note is also made in the Petty Cash Book in the column provided. When the greater part of this sum has been spent, a cheque to re-imburse the Petty Cash is drawn for the actual amount spent, and debited to Petty Cash Account in the General Ledger, as in the former instance.

This sum, added to the balance of Petty Cash in hand, again makes up the original sum advanced. By such a system it is absolutely necessary that the Petty Cash Book be added and balanced every time a cheque is required.

The totals of the Analysis columns of the Petty Cash Book are posted direct to the debit of accounts in the General Ledger, opened in accordance with the headings of the respective columns, and the total thereof is credited to the Petty Cashier's Account in the General Ledger, the balance of which should always agree with the balance of the Petty Cash Book.

The ruling shown on pages 36-37, which is in accordance with the "Imprest System," provides columns for both quantities and amount of Cash Purchases of milk, cream, butter, eggs, and sundry provisions, together with further columns for the various headings of expenditure. A "Special Items" column is also provided, in which are entered the items of expenditure for which no separate column already exists. The items in this column are individually posted to the debit of the particular accounts in the General or Private Ledgers, as noted against the particular item in the column which adjoins for that purpose.

It will thus be noticed that the Petty Cash Book, kept on such a system, is rendered a purely statistical book to supply an explanation of the cheques drawn for Petty Cash and charged to the Petty Cashier's Account in the General Ledger.

I

PETTY CASH, INCLUDING

Amount of Advance	Cash Book Folio	Date	Particulars	Voucher No.	Total of Payments	Milk		Cream		Butter	
						B.Q.	Amount	Qt.Pt.	Amount	Lbs.	Amount
£ s d					£ s d		£ s d		£ s d		£ s d
5 0 0	..	Dec. 1	To Amount to Disburse								
		2	By Cream	..	0 1 0	..	..	1	0 1 0		
		3	„ Shoeing Account	..	0 3 0	..	..	..	..	..	..
		4	„ Stamps	..	0 2 6	..	..	..	..	..	..
		4	„ Telegram, Jones	..	0 1 0	..	..	..	..	..	..
		5	„ Annato	..	0 2 6	..	..	..	..	..	..
		„	„ Ice	..	0 4 0	..	..	..	..	..	..
		„	„ Pens and Ink ..	..	0 2 6	..	..	..	..	..	..
		6	„ 50 New Laid Eggs	..	0 4 2	..	..	..	..	..	..
		„	„ 10 lbs. Tea @ 1/2	.	0 11 8	..	..	..	..	..	..
		„	„ 1 Barn Milk ..	..	0 1 8	1 0	0 1 8	..	..	..	..
		„	„ Meat and Provisions for House	..	0 14 0	..	..	..	..	..	..
		7	„ Memo Books ..	..	0 0 6	..	..	..	..	..	..
		„	„ Benger Can Repairs	..	0 5 0	..	..	..	..	..	..
		„	„ Salt Butter—Jones	..	0 14 0	..	..	..	..	20	0 14 0
		„	„ Carriage, G.W.R. —Butter ..	..	0 2 6	..	..	..	..	..	0 2 6
		8	„ F. Young—B. Ledger Account	..	0 4 0	..	..	..	..	..	..
		10	„ Stamps	..	0 10 0	..	..	..	..	..	..
		14	„ Carriage on Eggs	..	0 1 0	..	..	..	..	..	..
		16	„ Shoeing Account	..	0 7 6	..	..	..	..	..	..
		28	„ Travellers' Expenses—Jones to Reading ..	..	0 4 8	..	..	..	..	..	..
			G. L. 15	£	4 17 2	1 0	£0 1 8	1	£0 1 0	20	£0 16 6
						G. Ledger 1		G. Ledger 2		G. Ledger 3	
4 17 2	..		To Cheque								
			By Balance carried down	..	5 0 0						
£9 17 2				£	9 17 2						
£5 0 0	..	1903 Dec. 29	To Balance brought down								

13.—General Cash Book.—

The ruling of this book almost explains its own use. Dealing first with the left-hand or debit side, a column is provided for Rents received from Sub-tenants. The column headed "Customers' Ledger" contains the various items of cash transferred from the Daily Cash Received Book. The column

CASH PURCHASES BOOK.

I

ANALYSIS.

Eggs		Sundry Provisions		Trade Expenses	Horse-keep and Stable Expenses	Postages	Printing and Stationery	House Keeping	Special Items		
No.	Amount		Amount						Amount	Account	Ledger Folio
	£ s d		£ s d	£ s d	£ s d	£ s d	£ s d	£ s d	£ s d		
..	..	..	..	..	0 3 0	..	..	..	..		
..	..	..	..	..	..	0 2 6	..	..	..		
..	..	..	..	..	..	0 1 0	..	..	..		
..	..	..	..	0 2 6	..	..	..	..	..		
..	..	..	..	0 4 0	..	..	..	..	..		
..	..	..	..	..	..	..	0 2 6	..	..		
50	0 4 2	10 lbs. Tea	0 11 8								
..	..	..	..	..	..	..	..	0 14 0	..		
..	..	..	..	..	..	..	0 0 6	..	..		
..	..	..	..	..	..	..	..	..	0 5 0	Repairs to Cans	General Ledger 8
..	..	..	..	..	..	..	..	..	0 4 0	F. Young	Private Ledger Fo. 14 Bought Ledger Fo. 4
..	..	..	..	..	..	0 10 0	..	..	..		
..	0 1 0	..	..	..	0 7 6	..	..	..	..		
..	..	..	..	0 4 8	..	..	..	..	..		
50	£0 5 2		£0 11 8	£0 11 2	£0 10 6	£0 13 6	£0 3 0	£0 14 0	£0 9 0		
G. Ledger 4		G. Ledger 5		G. Ledger 6	G. Ledger 12	G. Ledger 16	G. Ledger 11	G. Ledger 17			

headed "General Ledger" contains all other items of Cash Received, such as Capital paid in by the Proprietor. The fourth column on this side—viz., "Bank"—is used for the entry of the actual amount paid into the bank, both on account of Customers and General Ledger, as per the Bank Paying-in-Slip Book. Consequently the items in this column should be identical with the entries in the Bank Pass Book.

I—*Dr.* GENERAL

Date	Particulars	Ledger Folio	Rents Received	Customers' Ledger Items	Private and General Ledger Items	Bank
			£ s d	£ s d	£ s d	£ s d
1903 Dec. 1	To A. Anderson—					
	Capital paid in	1	..	..	250 0 0	
3	„ Do. P. Lemon	2	..	..	250 0 0	500 0 0
5	„ Daily Cash Book	√	..	216 13 10	..	16 13 10
6	„ Do.	√	..	124 2 10	..	24 2 10
7	„ Do.	√	..	129 6 6		
	„ Rent of upper part	√	1 0 0	..	..	430 6 6
„	„ Daily Cash Book	√	..	102 18 4	..	102 18 4
9	„ Do.	√	..			
11	„ Do.	√	..	672 10 1	..	673 10 1
14	„ Do.	√	..			
„	„ Rent of upper part	√	1 0 0			
16	„ Daily Cash Book	√	..			
19	„ Do.	√	..	668 4 3	..	669 4 3
21	„ Do.	√	..			
„	„ Rent of upper part	√	1 0 0			
23	„ Daily Cash Book .. .	√	..			
25	„ Do.	√	..	682 1 9	..	683 1 9
28	„ Do.	√	..			
„	„ Rent of upper part	√	1 0 0			
„	„ Rents received	1		..	4 0 0	
„	„ Customers' Ledger Account	15			2,595 17 7	
					£3,099 17 7	£3,099 17 7
1904 Jan. 1	To Balance brought down ..	..	..	..	1,167 4 0	1,167 4 0

CASH BOOK. *Cr.*—I

Date	Particulars	Ledger Folio	Discount	Bought Ledger Items	Wages	Private and General Ledger Items	Bank
			£ s d	£ s d	£ s d	£ s d	£ s d
Dec. 1	By Cheque Book..	G.L. 16	..	..	..	0 8 4	0 8 4
„	„ Petty Cash ..	G.L. 15	..	..	..	5 0 0	5 0 0
„	„ Cash for Till—Change ..	G.L. 19	..	..	..	20 0 0	20 0 0
2	„ New Cart ..	P.L. 7	..	..	..	100 0 0	100 0 0
4	„ A. Anderson—Drawing Account.. ..	P.L. 4	..	..	..	25 0 0	25 0 0
5	„ P. Lemon—Drawing Account.. ..	P.L. 5	..	..	..	40 0 0	40 0 0
7	„ Wages.. ..	√	..	..	49 6 10	..	49 6 10
14	„ A Green ..	B.L. 1	0 17 4	219 0 0	..	..	219 0 0
„	„ Wages.. ..	√	..	..	49 19 6	..	49 19 6
16	„ H. Lane ..	B.L. 3	..	96 9 3	..	..	96 9 3
21	„ G. Meadows ..	B.L. 5	..	443 8 3	..	..	443 8 3
„	„ Wages.. ..	√	..	..	50 7 9	..	50 7 9
26	„ A. Carter ..	B.L. 9	..	150 0 0	..	..	150 0 0
„	„ B. Room ..	B.L. 10	..	37 10 0	..	..	37 10 0
28	„ Wages.. .	√	..	..	50 10 6	..	50 10 6
„	„ Salary of Manager—One month to date	G.L. 18	..	..	..	16 13 4	16 13 4
„	„ G. Meadows ..	B.L. 5	..	231 2 8	..	..	231 2 8
„	„ A. Green ..	B.L. 1	0 4 8	343 0 0	..	..	343 0 0
„	„ Petty Cash ..	G.L. 15	..	..	..	4 17 2	4 17 2
„	„ Wages Account	G.L. 14	..	..		200 4 7	
„	„ Bought Ledger Account ..	P.L. 14	..		..	1,520 10 2	
„	„ Balance carried down.. ..	√	..	..	..	1,167 4 0	1,167 4 0
		G.L. 13-14	£1 2 0			£3,099 17 7	£3,099 17 7

The "Bank" column, therefore, is also a "Total" column, and, when added, its addition will always agree with the totals of the other three columns added together.

On the credit or right-hand side the column headed "Bought Ledger" contains the items to be posted to the Bought Ledger, the General Ledger column containing all other items of payment except Wages, for which a special column is provided, whilst in the Bank column is entered the full amount of the cheque drawn. It will therefore be noticed that the difference between the totals of the Bank columns on either side will always show the bank balance. There will not infrequently be found a difference between this balance and that shown by the Bank Pass Book, arising in consequence of certain outstanding cheques, and possibly credits, not having been cleared. The following is the mode, in such cases, of reconciling the two balances:—

As per Pass Book.—

Paid in		
Withdrawn		
Less Cheques Outstanding		
Add Credits Outstanding		
Balance as per Cash Book	£	

The individual items making up the figures contained in the column headed "Customers' Ledger" having already been posted to the various customers' accounts in that Ledger from the Daily Cash Received Book, the total of the column is extended at the end of the month into the "General" column, and from thence posted to an account called Customers' Ledger Account kept in the Private Ledger. Similarly, on the other side, the individual items of the Bought Ledger column and the Discount column having been posted to the respective Personal Accounts in the Bought Ledger, the total of these columns are debited to an account called "Bought Ledger Account," also kept in the Private Ledger. This, however, is further explained in Chapter VI.

CHAPTER V.

CUSTOMERS' LEDGER.

THIS Ledger is opened with the names and addresses of the customers in the order in which they are served, a separate line being taken for each customer. Each "round" is started on a new page. The amount owing by each customer (as per the list of debts taken over) is entered opposite the respective names in the Arrears column adjoining.

From the specimen ruling of this Ledger it will be observed that at the end of each fortnight the whole of the customers' names and addresses must be rewritten and the arrears brought forward on a new page. In large businesses it is necessary to have a separate Ledger for each round. The feint lines are numbered, so as to render the entries on the right-hand side of the page more easily made on their proper line, rather than having to run the finger along the page from the customer's name to the particular column in which the entry is to be made, and even then incur the risk of placing the item on the wrong line.

As the reader is no doubt aware, Milk Sales are for the most part effected by the milk carrier on what is termed a "round." A "round" constitutes a certain number of regular customers served by one particular carrier. It is generally known beforehand approximately what quantity of milk is required by the

carrier wherewith to serve his "round," and this quantity is measured out to him before starting. An entry of the quantity so taken out is made in the Milk Stock Book. On the return of the carrier to the dairy at the end of the day, what is termed "Booking in" takes place. This means that the carrier hands in his book, showing the total quantity of milk served to each customer for the day. These quantities are entered in the Customers' Ledger to the debit of the respective customers in the special columns provided for each day of the week. The total of this column is cast and carried forward to the last page of the particular "round," when the final addition should agree with the quantity of milk taken out by the carrier, less the quantity returned (if any). It should, however, be explained that at the time of serving out the milk to the carrier for delivery on his round, a small quantity is allowed in excess of that actually required for regular customers in case of a sale to "chance customers." When "booking in," such sales are entered in the Customers' Ledger at the end of the "round," just in the same way as if "chance" was a regular customer. Any shortage is charged to the carrier, who must be treated in the books as a credit customer for that amount.

Entries are made in black ink for the Carrier's Milk Sales on the "round," and in red ink for Shop Credit Sales of Milk. The former are made at the time of the carrier "booking in," and the latter from the Detailed Day Book, at the end of the particular day, or the first thing on the following morning. Some dairies prefer to "book in" the carrier at the end of each delivery, in which case the Ledger "Daily Sales" columns are sub-divided for the morning and afternoon of each day.

The selling price of milk being fixed at 2s. 8d. per barn gallon, or 1d. per half-pint, the amount of milk delivered to each customer is charged in pence, which, at the same time,

denotes the quantity in half-pints. Example: We notice the figure of 20 against the first customer's name in the column headed "Sunday." This denotes that on Sunday the carrier served 20 half-pints of milk (or one shilling and eightpence worth) to that customer.

An addition of the figures of Milk Sales in each daily column is carried forward to the end of the "round," when the final total is inked in. This total at once gives the quantity in half-pints and the value in pence of the Milk Sales by the carrier for the day. A Summary is made of the total of each "round" for the day, and the addition thereof entered into the Day Book as already explained. If a "Milk Carriers' Round Summary Book" be kept this summary will, of course, be made in that book, and the total thereof only carried into the Day Book.

The Shop Sales of Milk, which have been entered up in red ink from the Day Book and the Customers' Order Book, are, of course, not included in this addition. The reason for this is that the total of the Carrier's "Round" Sales has to be agreed at the time of his "booking in" with the quantity taken out by him in starting his "round," as per the entry in the Milk Stock Book.

It must be borne in mind that at present we are only dealing with the figures of Milk Sales.

We will now deal with the entries of the Sale of Cream, Butter, Eggs, and Sundry Provisions.

The amount of detail to be crowded into this Ledger renders the ruling somewhat complicated. For the same reason also certain abbreviations of the full descriptions of the various items of sales have to be adopted. The following are illustrations:—

S	to denote	Skim or Scalded Milk.
C	,,	Cream.
E	,,	Eggs.
NL	,,	New Laid Eggs.
L	,,	Loaves of Bread.
T	,,	Tea.
H	,,	Honey.
B	,,	Butter.
F	,,	Fresh Butter.
D	,,	Dorset Butter.

A horizontal line drawn across the columns of Daily Sales opposite each customer's name separates the entries of Milk Sales from other entries, the former being inserted under the line and the latter over the line.

At the end of the week the value of the Sales to each customer are extended into the "Weekly Total" columns of "Milk" and "Sundries" respectively.

The figures of the "Arrears brought forward" column are added to the weekly total of each customer and the result extended into the "Total due" column. It is consequently obvious that the total of the Arrears column when added to that of the two Weekly Total columns should correspond with the addition of the "Total due" column.

Dealing now with the credit side of the Ledger, it will be noticed that columns are provided, in which are entered the items of Cash collected by the carrier for each of the seven days of the week, as in the case of Daily Sales on the debit side. These items are entered when "booking in" the carriers, and the daily total thereof only is entered in the Daily Cash Received Book. The details of Cash received at the dairy are posted in the adjoining column from the Daily Cash Received Book. The total "Carriers' Cash" is each day extended into the adjoining column of "Total Carriers' Cash and Cash Received at Dairy."

The next column is that of Allowances. In this column is entered any allowance made to a customer, and, in addition, the column is used for Discounts, Bad Debts, and the writing off of any reduction in price which may have been agreed to be allowed from the standard price of 1d. per half-pint. This column having been added, and the analysis into Milk, Cream, Butter, Eggs, and Sundry Provisions written at the foot thereof, the next step is to extend the balance due at the end of the week from each customer into the adjoining column of "Arrears carried forward." This is done by deducting from the figures in the "Total due" column the addition of the figures in the columns of "Weekly Total of Carriers' Cash, and Cash received at Dairy," and "Allowances."

The aggregate total of the columns headed "Total of Carriers' Cash and Cash received at Dairy," "Allowances," and "Arrears carried forward" respectively should agree with the addition of the "Total due" column.

Before leaving the consideration of this Ledger, we must turn our attention to the treatment of Cash Sales.

A separate page is taken for Cash Sales, which, as already stated, is treated in precisely the same manner as a customer. The Daily Totals of Sales being entered from the Day Book and the Credits (*i.e.*, Cash) from the Daily Cash Received Book.

In the example is shown a Weekly and also a Monthly Summary of the Ledger, showing the agreement of the various totals with the totals of the subsidiary books from which the postings have been made. A check on the clerical accuracy of this Ledger is kept by means of a Customers' Ledger Account being opened in the Private Ledger, as explained in Chapter VI.

1 Round 1.— CUSTOMERS' LEDGER,

	Name and Address	Arrears	Daily Sales S.	M.	T.	W.	T.	F.	S.	Weekly Summary of Sales Milk	Sundries
	Green Lanes.	£ s d	*L 6*		*C 2*		*E 1/-*			£ s d	£ s d
1	1. A. Jones ..	8 6 8	20	16	14	14	14	12	4	0 8 8	0 1 8
2	3. E. Keene..	14 3 6	*H 1/-* 14	5	*T 1/4* 5	4	*L 5* 5	4	6	0 3 7	0 2 9
3	5. R. Black ..	19 1 0	*F 1/-* 12	8	*D 7 C 2* 6	5	*E 1/-* 6	8	7	0 4 4	0 2 9
4	7. J. Elpheck.	6 4 9	2 9	8	*D 7 E 1/4* 9	9	1 7	*D 1/2* 8	6 11	0 5 10	0 3 1
	Grove Terrace.						*F 4*				
5	1. R. Weir ..	7 14 3	12 *C 2 D 7*	6 *B 7*	6 *C 2 D 7*	6 *C 2 D 7 E 6*	6 *C 2 D 7*	6 *C 2 D 7*	*6 C 2 D 7*	0 4 0	0 0 10
6	3. G. Andrew.	2 4 7	*1 17 C 6 D 7 E 1/-*	11 *C 6 F 4*	*2 12 F 8 D 7*	11 *E 6*	*3 10 F 4*	10 *H 4 B 8*	10	0 7 3	0 5 7
7	5. L. Rose ..	22 6 5	12	10	10	10	10	10	12	0 6 2	0 6 3
8	7. T. Lilly ..	..	2 *C 6*	2 *F 8*	2 *F 8*	2 *E 6*	2 *F 8*	2	2	0 1 2	..
	Golden Hill.										
9	1. A. Macpherson ..	19 18 10	*F 8* 10	*E 6* 11	*E 6* 10	*F 8* 10	10	*E 6* 11	*F 8* 10	0 6 0	0 4 8
10	2. E. Ashton.	26 4 6	*F 4 C 1/-* 16	*F 4* 11	*F 4* 12	13	*F 4 C 3* 12	*F 4* 12	*F 4* 13	0 7 5	0 3 3
11	3. J. Murray..	23 15 6	*T 1/4* *3 20	16	*H 1/-* *6 17	18	17	15	18	0 10 10	0 2 4
12	4. H. Bloom..	..	4	3	3	3	3	3	3	0 1 10	..
13	Chance ..	..	3	3	1	4	3	4	4	0 1 10	..
14		150 0 0	151	110	107	109	105	105	116	£3 8 11	£1 13 2
15										£5 2 1	
16											

* Distinguishing type representing shop sales of milk.

Week ending December 7th 1903. 1

Total Amount Due	Daily Cash Received by Carriers S.	M.	T.	W.	T.	F.	S.	Total of Carriers' Cash and Cash Received at Dairy Date	C.B. Folio	Amount	Allowances and Discounts	Particulars		Arrears
£ s d										£ s d	£ s d			£ s d
8 17 0	..	..	..	..	..	..	..	..	..	..	..	..	1	8 17 0
14 9 10	..	..	..	..	..	..	..	Dec. 3	1	14 9 5	0 0 5	Milk	2	
19 8 1	..	..	..	..	..	..	..	..	..	..	0 0 6½	Eggs	3	19 7 6½
6 13 8	..	..	..	..	..	..	..	..	..	..	..	..	4	6 13 8
7 19 1	..	..	..	..	..	..	..	..	..	..	..	..	5	7 19 1
2 17 5	..	..	..	..	..	..	..	..	..	..	0 0 3	Cream	6	2 17 2
22 18 10	..	..	..	..	..	..	..	Dec. 4	1	22 17 9	0 0 3 0 0 10	Butter Milk	7	
0 1 2	..	4	2	2	2	2	2	..	..	0 1 2	..	..	8	
20 9 6	..	..	..	..	..	..	..	..	..	..	..	..	9	20 9 6
26 15 2	..	..	..	..	..	..	..	Dec. 5	1	26 14 3	0 0 11	Discount	10	
24 8 8	..	..	..	..	..	..	..	..	..	..	24 8 8	Bad Debt	11	
0 1 10	..	7	3	3	3	3	3	..	..	0 1 10	..	..	12	
0 1 10	..	6	1	4	3	4	4	..	..	0 1 10	..	..	13	
£155 2 1		1/5	6	9	8	9	9			£64 6 3	£24 11 10½		14	£66 3 11½
											£155 2 1		15	
											0 1 3	Milk		
											0 0 3	Cream		
											0 0 3	Butter		
											0 0 6½	Eggs	16	
											24 8 8	Bad Debts		
											0 0 11	Discount		
											£24 11 10½			

2 Round 2, and remaining Rounds; each commencing on a new page.—

		Arrears	Daily Sales S.	M.	T.	W.	T.	F.	S.	Weekly Summary of Sales Milk	Sundries
		£ s d	£ s d	£ s d	£ s d	£ s d	£ s d	£ s d	£ s d	£ s d	£ s d
Remainder of Debts		..	..	..	..	..	..	..	..	..	..
Purchased		1,062 10 0									
The following are figures of imaginary Sales.	C.		*3 0 0*	*3 0 0*	*3 0 0*	*3 0 0*	*3 0 0*	*3 0 0*	*3 0 0*		
	B.		*13 0 0*	*13 0 0*	*13 0 0*	*13 0 0*	*13 0 0*	*13 0 0*	*12 0 0*		
	E.		*11 0 0*	*11 0 0*	*11 0 0*	*11 0 0*	*11 0 0*	*11 0 0*	*14 0 0*		
	S.P.		*4 10 0*	*4 10 0*	*4 10 0*	*4 10 0*	*4 10 0*	*4 10 0*	*3 0 0*	340 0 0	221 0 0
	M.		48 10 0	48 10 0	48 10 0	48 10 0	48 10 0	48 10 0	49 0 0		
£		1,062 10 0	48 10 0	48 10 0	48 10 0	48 10 0	48 10 0	48 10 0	49 0 0	340 0 0	221 0 0
										£561 0 0	

3 CASH

	Arrears	Daily Sales S.	M.	T.	W.	T.	F.	S.	Milk	Sundries
Cash Sales :—	..	..	2/1	2/1	4/2	2/7	2/1	3/1½	0 16 1½	..
Milk	..	..	2/2	0/10	1/3	0/7	0/5	1/4	..	0 6 7
Cream	..	..	5/5½	5/7	7/9½	6/–	11/2	1/2/9	..	2 18 9
Butter	..	..	11/7	9/4	8/7	8/9½	13/1	1/2/7½	..	3 14 0
Eggs	..	..	1/0½	2/4	2/6½	2/7½	3/6½	7/8¼	..	0 19 9¼
Sundry Provisions.	..		1/2/4½	1/0/2	1/4/4	1/0/7	1/10/3½	2/17/6¼	0 16 1½	7 19 1½
									£8 15 3	

4 LEDGER SUMMARY for Week ending December 7th 1903.

	Arrears	Sales for Week	Total Due	Cash Received	Allowances, &c.	
	£ s d	£ s d	£ s d	£ s d	£ s d	£ s d
Round 1	150 0 0	5 2 1	155 2 1	64 6 3	24 11 10½	
Further Rounds.. ..	1,062 10 0	561 0 0	1,623 10 0	500 0 0		
Cash Sales	..	8 15 3	8 15 3	8 15 3		
	1,212 10 0	574 17 4	1,787 7 4	573 1 6	24 11 10½	1,189 13 11½
	£1,787 7 4			£1,784 7 4		

2

Total Amount Due	Daily Cash Received by Carriers S.	M.	T.	W.	T.	F.	S.	Total of Carriers' Cash and Cash Received at Dairy Date	C.B. Folio	Amount	Allowances and Discounts	Particulars		Arrears
£ s d								1903		£ s d	£ s d			£ s d
								Dec. 2	..	100 0 0				
								3	..	80 0 0				
								4	..	80 0 0				
1,623 10 0								5	..	80 0 0				
								6	..	80 0 0				
								7	..	80 0 0				1,123 10 0
										500 0 0				1,123 10 0
1,623 10 0										£1,623 10 0				

SALES. **3**

0 16 1½	..	2/1	2/1	4/2	2/7	2/1	3/1½	..	..	0 16 1½			
0 6 7	..	2/2	0/10	1/3	0/7	0/5	1/4	..	..	0 6 7			
2 18 9	..	5/5½	5/7	7/9½	6/–	11/2	1/2/9	..	..	2 18 9			
3 14 0	..	11/7	9/4	8/7	8/9½	13/1	1/2/7½	..	..	3 14 0			
0 19 9½	..	1/0½	2/4	2/6½	2/7½	3/6½	7/8¼	..	..	0 19 9½			
8 15 3		1/2/4½	1/0/2	1/4/4	1/0/7	1/10/3½	2/17/6¼			8 15 3			

LEDGER SUMMARY for Month ending December 28th 1903. **4**

		£ s d	£ s d			£ s d	£ s d
Arrears, December 1st		..	1,212 10 0	Cash :—			
Sales :—				December 7	..	573 1 6	
December 7	..	574 17 4		14	..	672 10 1	
14	..	571 6 8		21	..	668 4 3	
21	..	581 2 9		28	..	682 1 9	2,595 17 7
28	..	580 14 9					
			2,308 1 6	Allowances	.. ..	24 11 10½	
						1 12 7	
						1 14 10	
						32 5 2	
							60 4 5½
				Arrears, December 28th		..	864 9 5½
			£3,520 11 6				£3,520 11 6

NOTE.—The above is a specimen ruling of the left-hand page of the Ledger opening. The right-hand side contains similar columns, and thus the transactions of a fortnight may be recorded on the one opening without re-writing the customer's name and address.

TRANSFER JOURNAL.

This book is used to record Transfers from one Ledger Account to another. It is especially useful in recording the opening and closing transactions of a set of books. In making a Journal entry it must be remembered that the business is *Dr.* to what it receives and *Cr.* by that which it gives. It will be observed from a reference to the opening entries in the Journal that Capital Account is credited with the total amount of assets purchased, and that the individual assets are correspondingly debited to various Ledger Accounts.

THE PURE MILK DAIRY COMPANY.

1 JOURNAL. 1

		£ s d	£ s d
1st December 1903.			
Sundries—			
To Capital Account	3	..	15,000 0 0
For the following apportionment of Purchase Price :—			
Horses	6	250 0 0	
Carts, Perambulators, General Rolling Stock, &c. ..	7	250 0 0	
Stable Utensils	8	50 0 0	
Fixed Plant, Refrigerating Machinery, &c.	11	1,500 0 0	
Loose Plant and Trade Utensils	9	750 0 0	
Shop Fittings, Furniture, &c.	10	900 0 0	
Lease of Premises—26 years expired from 1/12/03 ..	12	1,300 0 0	
Goodwill	13	10,000 0 0	
Customers' Ledger (Sundry Customers therein) ..	15	1,212 10 0	
To Sundries.			
For the Purchase Price of Vendor's Book Debts taken over as per list (*less* reserve of 10 per cent. for Bad and Doubtful Debts)			
Reserve for Bad and Doubtful Debts	20	..	121 5 0
Capital Account	3	..	1,091 5 0
Sundries—			
To Capital Account	3	..	65 12 10
For Purchase Price of Vendor's Stock-in-Trade :—			
		Quantity	
Milk Trading Account	1	18 Barn Galls	1 10 0
Cream Trading Account	2	13 Quarts ..	1 6 0
Butter Trading Account	3	340 lbs. ..	17 10 6
Eggs Trading Account	4	6,502	23 8 4
Sundry Provisions Trading Account	5		21 18 0
Carried forward		£16 278 2 10	£16,278 2 10

2 JOURNAL—*continued.* 2

		£ s d	£ s d
Brought forward		£16,278 2 10	£16,278 2 10
Sundries—			
To Capital Account	3	..	33 1 8
For the following apportionment of Sundry Expenses, &c., outstanding at date of purchase :—			
Trade Expenses	6	18 1 8	
11 Months' Telephone Rent @ £17 per annum, paid in advance to 31st October 1904 .. .. £15 11 8			
Stock of Fuel taken over 2 10 0			
£18 1 8			
Horse Keep (Stock of Fodder, Straw, &c.) taken over	12	15 0 0	
Capital Account	3	156 5 6	
To Sundries.			
Rent, Rates, and Taxes	9	..	131 5 6
For the following apportionment of Rent, Rates, and Taxes at date of Purchase :—			
2 Months' Rent from 29/9/03 @ £600 per annum (Dairy) £100 0 0			
2 Months' General District Rate for half-year to 25/3/04, £55 16s. 18 12 0			
2 Months' Water Rate @ £46 2s. 6d. for half-year to 25/3/04 .. .. .. 15 7 6			
8 Months' Inhabited House Duty @ £33 15s. for year 22 10 0			
156 9 6			
Less—			
4 Months' Poor Rate @ £37 16s. for half-year paid to 25/3/04 .. .. .. 25 4 0			
£131 5 6			
Stable Expenses	12	..	25 0 0
2 Months' Rent of Stables from 29/9/03 @ £150 per annum £25			
Joint Capital Account	3	16,033 14 0	
To Sundries.			
A. Anderson	1	..	8,016 17 0
P. Lemon	2	..	8,016 17 0
Agreed equal apportionment of total Joint Capital Account.			
Wages Account	14	5 8 4	
To Milk Trading Account	1	..	5 8 4
For Milk allowed to Carriers as per Milk Stock Book			
Carried forward		£32.494 0 4	£32.494 0 4

3 JOURNAL—*continued.* 3

		£ s d	£ s d
Brought forward		£32,494 0 4	£32,494 0 4
Cream Trading Account	2	2 8 4	
To Milk Trading Account	1	..	2 8 4
For Milk separated for Month as per Milk Stock Book, *less* value of Skimmed or Scalded Milk:—			
44 Barns @ 1/8 .. .. £3 13 4			
Less—			
30 Barns of Skim Milk @ 10d. 1 5 0			
14 £2 8 4			
Closing Entries.			
Sundries—			
To Profit and Loss Account	16	..	658 18 11½
Milk Trading Account	1	514 2 3	
Cream Trading Account	2	41 16 8	
Butter Trading Account	3	52 12 2	
Eggs Trading Account	4	38 8 5½	
Sundry Provisions Trading Account	5	11 19 5	
Interest (Profit and Loss Account)	16	68 17 10	
To Sundries.			
A. Anderson—One Month Interest to date @ 5 % per annum on £8,266 17s.	1	..	34 8 11
P. Lemon—One Month Interest to date @ 5 % per annum on £8,266 17s.	2	..	34 8 11
Profit and Loss Account	16	377 19 1	
To Sundries.			
Wages	14	..	205 12 11
Housekeeping for Employees	7	..	0 14 0
Salary of Manager	18	..	16 13 4
Rent, Rates, and Taxes	9	..	76 2 0
Trade Expenses	6	..	5 12 10
Repairs and Renewals of Loose Plant, &c.	8	..	5 15 2
Fuel and Lighting	10	..	16 5 6
Printing, Stationery, and Advertising..	11	..	10 0 0
Horse Keep and Stable Expenses	12	..	40 0 0
Stamps and Telegrams	16	..	1 1 10
Discount	13	..	0 1 6
Rents received from Sub-Tenants	7	4 0 0	
To Profit and Loss Account	16	..	4 0 0
Profit and Loss Account	16	58 2 6	
To Sundries.			
Horses	6	..	25 0 0
Carts, Perambulators, &c.	7	..	2 18 4
Stable Implements, &c.	8	..	0 8 4
Loose Plant, &c.	9	..	12 10 0
Shop and Office Fittings, Furniture, &c.	10	..	3 15 0
Fixed Plant and Refrigerating Machinery	11	..	9 7 6
Lease	12	..	4 3 4
		£33,664 7 0½	£33,664 7 0½

CHAPTER VI.

GENERAL (OR NOMINAL) AND PRIVATE LEDGERS.

General Ledger.—

In the General Ledger are kept the Departmental Trading Accounts of Milk, Cream, Butter, Eggs, and Sundry Provisions respectively. These accounts, when duly posted, and the balance of stocks on hand brought in, show the gross profit in each department, and the quantities of stock unaccounted for (if any). No leakage, therefore, can possibly exist on such a system without its being immediately apparent. These accounts being closed, the respective balances of gross profit are carried off to the Profit and Loss Account. Also in this Ledger are kept the various Impersonal Accounts showing the classified expenditure of the period. These accounts, after being adjusted for any items paid in advance of the actual period, or items relating to the period not already brought in as due, and also for the value of stocks on hand, if any, are closed by the balances being carried off to the Profit and Loss Account.

GENERAL LEDGER.

1—*Dr.* MILK TRADING ACCOUNT. *Cr.*—1

1903			Barns	Qts.	Pts.	Amount	1903			Barns	Qts.	Pts.	Amount
						£ s d							£ s d
Dec. 1	To Capital Account. Stock taken over	7	18	0	0	1 10 0	Dec. 28	By Customers' Ledger Account. Sales per month	1	10,343	1	0	1,379 4 7
28	„ Bought Ledger Account. Purchases for month ..	1	10,468	7	0	872 8 3	„	„ Customers' Ledger Account. Sales for month (Skim) ..	1	30	0	0	1 5 0
„	„ Petty Cash. Cash Purchases for month	1	1	0	0	0 1 8	„	„ Wages Account. Milk allowed to Carriers ..	2	65	0	0	5 8 4
„	„ Customers' Ledger Account. Allowances for month ..	1	..			1 18 3	„	„ Cream Trading Account. Milk used for Cream (*less* 30 Barns of Skim Milk) ..	3	14	0	0	2 8 4
„	„ Balance, Gross Profit, carried to Profit and Loss Account	3	..			514 2 3	„	„ Stock on hand carried down	✓	20	4	0	1 14 2
								„ Difference representing quantity of Stock perished and/or unaccounted for ..		15	2	0	
			10,487	7	0	£1,390 0 5				10,487	7	0	£1,390 0 5
1903 Dec. 29	To Balance, Stock on hand, brought down	✓	20	4	0	1 14 2							

2—*Dr.* CREAM TRADING ACCOUNT. *Cr.*—2

1903			Qts.	Pts.	Amount	1903			Qts.	Pts.	Amount
					£ s d						£ s d
Dec. 1	To Capital Account. Stock taken over	1	13	0	1 6 0	Dec. 28	By Customers' Ledger Account. Sales for month	1	434	1½	86 18 9
28	„ Bought Ledger Account. Purchases for month ..	1	432	0½	43 5 0	„	„ Stock on hand carried down	✓	20	0	2 0 0
„	„ Petty Cash. Cash Purchases for month	1	0	1	0 1 0						
„	„ Customers' Ledger Account. Allowances for month ..	1	..		0 1 9						
„	„ Milk Trading Account. 44 Barn Gallons of Milk used for Cream (*less* 30 Barns of Skim Milk)	3	11	0	2 8 4						
„	„ Balance, Gross	3	..		41 16 8						
							„ Difference representing quantity of Stock perished and/or unaccounted for ..		454	1½	
									2	0	
			456	1½	£88 18 9				456	1½	£88 18 9
1903 Dec. 29	To Balance, Stock on hand, brought down	✓	20	0	2 0 0						

3—*Dr.* BUTTER TRADING ACCOUNT. *Cr.*—**3**

1903			Lbs.	Ozs.	Amount	1903			Lbs.	Ozs.	Amount
Dec. 1	To Capital Account. Stock taken over	1	340	0	£ s d 17 10 6	Dec. 28	By Customers' Ledger Account. Sales for month	1	6,547	2	£ s d 381 18 4
28	„ Bought Ledger Account. Purchases for month ..	1	6,696	8	334 16 5	„	„ Stock on hand carried down	√	500	8	24 18 10
„	„ Petty Cash. Cash Purchases for month	1	20	0	0 16 6						
„	„ Customers' Ledger Account. Allowances for month ..	1	..		1 1 7						
„	„ Balance, Gross Profit carried to Profit and Loss Account	3	..		52 12 2						
									7,047	10	
							„ Difference representing quantity of Stock perished and/or unaccounted for ..		8	14	
			7,056	8	£406 17 2				7,056	8	£406 17 2
1903 Dec. 29	To Balance, Stock on hand, brought down	√	500	8	24 18 10						

4—*Dr.* EGGS TRADING ACCOUNT. *Cr.*—**4**

1903			Quantity	Amount	1903			Quantity	Amount
Dec. 1	To Capital Account. Stock taken over	1	6,502	£ s d 23 8 4	Dec. 28	By Customers' Ledger Account. Sales for month	1	89,454	£ s d 337 16 10
28	„ Bought Ledger Account. Purchases for month ..	1	90,098	299 7 6	„	„ Stock on hand carried down	√	7,056	24 10 1
„	„ Petty Cash. Cash Purchases for month	1	50	0 5 2					
„	„ Customers' Ledger Account. Allowances for month ..	1	..	0 17 5½					
„	„ Balance, Gross Profit carried to Profit and Loss Account	3	..	38 8 5½					
								96,510	
							„ Difference representing quantity of Stock perished and/or unaccounted for ..	140	
			96,650	£362 6 11				96,650	£362 6 11
1903 Dec. 29	To Balance, Stock on hand, brought down	√	7,056	24 10 1					

5—*Dr.* SUNDRY PROVISIONS TRADING ACCOUNT. *Cr.*—**5**

1903			£ s d	1903			£ s d
Dec. 1	To Capital Account. Stock taken over ..	1	21 18 0	Dec. 28	By Customers' Ledger Account. Sales for month	1	120 18 0
28	„ Bought Ledger Account. Purchases for month	1	97 10 4	„	„ Stock on hand, carried down	√	11 4 6
„	„ Petty Cash. Cash Purchases for month ..	1	0 11 8				
„	„ Customers' Ledger Account. Allowances for month	1	0 3 1				
„	„ Balance, Gross Profit, carried to Profit and Loss Account	3	11 19 5		*Note.*—The figures of quantities in this Department are not possible without considerable labour. It is considered a sufficient test to see that the Gross Profit amounts to about 10% of the Sales.		
			£132 2 6				£132 2 6
1903 Dec. 29	To Balance, Stock on hand, brought down ..	√	11 4 6				

6—*Dr.* TRADE EXPENSES. *Cr.*—**6**

1903			£ s d	1903			£ s d
Dec. 1	To Capital Account. Apportionment of Outstandings at date of Purchase	2	18 1 8	Dec. 28	By Profit and Loss Account transferred ..	3	5 12 10
28	„ Bought Ledger Account. Sundries for month	1	1 3 4	„	„ Balance, Telephone Rent in advance to 31st October 1904	√	14 3 4
„	„ Petty Cash	1	0 11 2				
			£19 16 2				£19 16 2
1903 Dec. 29	To Balance brought down, Telephone Rent in advance to 31st October 1904	√	14 3 4				

7—*Dr.* RENTS RECEIVED FROM SUB-TENANTS. *Cr.*—**7**

1903			£ s d	1903			£ s d
Dec. 28	To Profit and Loss Account transferred ..	3	4 0 0	Dec. 28	By Cash	1	4 0 0

8—*Dr.* REPAIRS AND RENEWAL OF LOOSE PLANT AND TRADE UTENSILS. *Cr.*—**8**

1903			£ s d	1903			£ s d
Dec. 28	To Bought Ledger Account. Sundries for month	1	5 10 2	Dec. 28	By Profit and Loss Account transferred ..	3	5 15 2
	„ Petty Cash	1	0 5 0				
			£5 15 2				£5 15 2

9—*Dr.* RENT, RATES, AND TAXES. ***Cr.*—9**

1903			£ s d	1903			£ s d
Dec. 28	To Bought Ledger Account. Sundries for month	1	251 18 6	Dec. 1	By Capital Account. Apportionment of Outstandings at date of Purchase	2	131 5 6
				28	„ Profit and Loss Account transferred ..	3	76 2 0
				„	„ Balance carried down :—		
					Three months' Poor Rate in advance £18 18 0		
					Three months' General District Rate in advance.. 27 18 0		
					Three months' Water Rate in advance 23 1 3		
					69 17 3		
					Less Nine months' Inhabited House Duty @ £33 15s. 0d. due for Year to 5th April 1904 .. .. 25 6 3		
			£251 18 6			✓	44 11 0
1903 Dec. 29	To Balance brought down	✓	44 11 0				£251 18 6

10—*Dr.* FUEL AND LIGHTING. ***Cr.*—10**

1903			£ s d	1903			£ s d
Dec. 28	To Bought Ledger Account. Sundries for month	1	19 15 6	Dec. 28	By Profit and Loss Account transferred ..	3	16 5 6
				„	„ Balance carried down. Stock of Fuel on hand	✓	3 10 0
			£19 15 6				£19 15 6
1903 Dec. 29	To Balance, Stock on hand, brought down ..	✓	3 10 0				

11—*Dr.* PRINTING, STATIONERY, AND ADVERTISING. ***Cr.*—11**

1903			£ s d	1903			£ s d
Dec. 28	To Bought Ledger Account. Sundries for month	1	15 10 6	Dec. 28	By Profit and Loss Account transferred ..	3	10 0 0
„	„ Petty Cash	1	0 3 0		„ Balance carried down. Stock of Stationery on hand	✓	5 13 6
			£15 13 6				£15 13 6
1903 Dec. 29	To Balance, Stock on hand, brought down ..	✓	5 13 6				

12—*Dr.* HORSE KEEP (SHOEING, FODDER, VETERINARY CHARGES, &c.) ***Cr.*—12**

1903			£ s d	1903			£ s d
Dec. 1	To Capital Account. Stock taken over at date of Purchase	2	15 0 0	Dec. 1	By Capital Account. Apportionment of Stable Rent at date of Purchase	2	25 0 0
28	„ Bought Ledger Account. Sundries for month	1	57 2 6	28	„ Profit and Loss Account transferred.. ..	3	40 0 0
„	„ Petty Cash	1	0 10 6	„	„ Balance carried down. Stock of Fodder, &c., on hand	✓	7 13 0
			£72 13 0				£72 13 0
1903 Dec. 29	To Balance, Stock on hand, brought down ..	✓	7 13 0				

13—*Dr.* DISCOUNT. *Cr.*—**13**

1903			£ s d	1903			£ s d
Dec. 28	To Customers' Ledger Account. Discounts allowed Customers	1	1 3 6	Dec 28	By Cash	1	1 2 0
				„	„ Profit and Loss Account transferred ..	3	0 1 6
			£1 3 6				£1 3 6

14—*Dr.* WAGES. *Cr.*—**14**

1903			£ s d	1903			£ s d
Dec. 28	To Cash	1	200 4 7	Dec. 28	By Profit and Loss Account transferred ..	3	205 12 11
	„ Milk Trading Account. Milk allowed men	2	5 8 4				
			£205 12 11				£205 12 11

15—*Dr.* PETTY CASH. *Cr.*—**15**

1903			£ s d	1903			£ s d
Dec. 1	To Cash. Amount of original advance .. .	1	5 0 0	Dec. 28	By Sundries. Expenditure for month as per Petty Cash Book	1	4 17 2
	„ Do.	1	4 17 2	„	„ Balance, Cash in hand, carried down ..	√	5 0 0
			£9 17 2				£9 17 2
1903 Dec. 29	To Balance, Cash in hand, brought down ..	√	5 0 0				

16—*Dr.* STAMPS AND TELEGRAMS. *Cr.*—**16**

1903			£ s d	1903			£ s d
Dec. 28	To Petty Cash. Sundries for month	1	0 13 6	Dec. 28	By Profit and Loss Account transferred ..	3	1 1 10
1	„ Cash. Cheque Book	1	0 8 4				
			£1 1 10				£1 1 10

17—*Dr.* HOUSEKEEPING FOR EMPLOYEES. *Cr.*—**17**

1903			£ s d	1903			£ s d
Dec. 28	To Petty Cash. Sundries for month	1	0 14 0	Dec. 28	By Profit and Loss Account transferred ..	3	0 14 0

18—*Dr.* SALARY OF MANAGER. *Cr.*—**18**

1903			£ s d	1903			£ s d
Dec. 28	To Cash. One month's Salary to date	1	16 13 4	Dec. 28	By Profit and Loss Account transferred ..	3	16 13 4

19—*Dr.* CASH LEFT IN TILLS (FOR PURPOSE OF GIVING CHANGE). *Cr.*—**19**

1903			£ s d				
Dec. 1	To Cash	1	20 0 0				

20—*Dr.* RESERVE FOR BAD AND DOUBTFUL DEBTS AND DISCOUNTS. *Cr.*—**20**

1903			£ s d	1903			£ s d
Dec. 28	To Customers' Ledger Account. Bad Debts for month	1	54 18 10	Dec. 1	By Customers' Ledger Account .. .. .. (Reserve allowed by Vendors)	1	121 5 0
"	" Balance carried down	√	66 6 2				
			£121 5 0				£121 5 0
				1903 Dec. 29	By Balance brought down	√	66 6 2

PRIVATE LEDGER.

The Private Ledger contains the accounts representing property or assets, the Capital and Drawing Accounts of the partners, and various other accounts of a private nature, which it is desirable should be kept only for the eyes of the proprietor, such as the final Profit and Loss Accounts and Balance Sheets.

1—*Dr.* A. ANDERSON.—CAPITAL ACCOUNT. *Cr.*—**1**

1903			£ s d	1903			£ s d
Dec. 28	To Drawing Account transferred	4	25 0 0	Dec. 1	By Joint Capital Account (one-half Share)	1	8,016 17 0
"	" Balance carried down	√	8,355 5 8	"	" Cash	1	250 0 0
				28	" Profit and Loss Account, Interest for one month on £8,266 17s. @ 5 % per annum	3	34 8 11
				"	" Profit and Loss Account, Half Share of Profit for month	16	78 19 9
			£8,380 5 8				£8,380 5 8
				1903 Dec. 29	By Balance brought down	√	8,355 5 8

2—*Dr.* P. LEMON.—CAPITAL ACCOUNT. *Cr.*—**2**

1903			£ s d	1903			£ s d
Dec. 28	To Drawing Account transferred	5	40 0 0	Dec. 1	By Joint Capital Account (one-half Share)	2	8,016 17 0
"	" Balance carried down	√	8,340 5 8½	"	" Cash	1	250 0 0
				28	" Profit and Loss Account, Interest for one month, on £8,266 17s. @ 5% per annum	3	34 8 11
				"	" Profit and Loss Account, Half Share of Profit for month	16	78 19 9½
			£8,380 5 8½				£8,380 5 8½
				1903 Dec. 29	By Balance brought down	√	8,340 5 8½

3—*Dr.* JOINT CAPITAL ACCOUNT. *Cr.*—**3**

1903			£ s d	1903			£ s d
Dec. 1	To Rent, Rates, &c., Apportionment ..	2	156 5 6	Dec. 1	By Sundries Purchase Price	1	15,000 0 0
"	" Sundries	2	16,033 14 0	"	" Customers' Ledger Account (Debts, *less* Reserve)	1	1,091 5 0
				"	" Sundries—Stock taken over	1	65 12 10
				"	" Sundries—Apportionment of Trade Expenses, &c.	2	33 1 8
			£16,189 19 6				£16,189 19 6

4—*Dr.* A. ANDERSON.—DRAWING ACCOUNT. *Cr.*—**4**

1903			£ s d	1903			£ s d
Dec. 4	To Cash	1	25 0 0	Dec. 28	By Capital Account transferred	1	25 0 0

5—*Dr.* P. LEMON.—DRAWING ACCOUNT. *Cr.*—**5**

1903			£ s d	1903			£ s d
Dec. 5	To Cash	1	40 0 0	Dec. 28	By Capital Account transferred	2	40 0 0

6—*Dr.* HORSES. *Cr.*—**6**

1903			£ s d	1903			£ s d
Dec. 1	To Capital Account	1	250 0 0	Dec 28	By Profit and Loss Account (one horse dead and others depreciated) ..	3	25 0 0
				"	" Balance (Re-valuation) carried down ..	√	225 0 0
			£250 0 0				£250 0 0
1903 Dec. 29	To Balance (Re-valuation this date) brought down	1	225 0 0				

7—*Dr.* CARTS, PERAMBULATORS, GENERAL ROLLING STOCK, HARNESS, &c. *Cr.*—**7**

1903			£ s d	1903			£ s d
Dec. 1	To Capital Account	1	250 0 0	Dec. 28	By Profit and Loss Account—Depreciation @ 10% per annum for one month ..	3	2 18 4
2	" Cash—New Cart	1	100 0 0	"	" Balance carried down	√	347 1 8
			£350 0 0				£350 0 0
1903 Dec. 29	To Balance brought down	√	347 1 8				

8—*Dr.* STABLE IMPLEMENTS AND UTENSILS. *Cr.*—**8**

1903			£ s d	1903			£ s d
Dec. 1	To Capital Account	1	50 0 0	Dec. 28	By Profit and Loss Account—Depreciation @ 10% per annum for one month ..	3	0 8 4
				"	" Balance carried down	√	49 11 8
			£50 0 0				£50 0 0
1903 Dec. 29	To Balance brought down	√	49 11 8				

9—*Dr.* LOOSE PLANT AND TRADE UTENSILS. *Cr.*—**9**

1903			£ s d	1903			£ s d
Dec. 1	To Capital Account	1	750 0 0	Dec. 28	By Profit and Loss Account—Depreciation @ 20% per annum for one month ..	3	12 10 0
28	" Bought Ledger Account—Sundries for month	1	3 10 0	"	" Balance carried down	√	741 0 0
			£753 10 0				£753 10 0
1903 Dec. 29	To Balance brought down	√	741 0 0				

10—*Dr.* SHOP AND OFFICE FITTINGS, FURNITURE, &c. *Cr.*—**10**

1903			£ s d	1903			£ s d
Dec. 1	To Capital Account	1	900 0 0	Dec. 28	By Profit and Loss Account—Depreciation @ 5% per annum for one month ..	3	3 15 0
				"	" Balance carried down	√	896 5 0
			£900 0 0				£900 0 0
1903 Dec. 29	To Balance brought down	√	896 5 0				

11—*Dr.* FIXED PLANT, REFRIGERATING MACHINERY, &c. *Cr.*—**11**

1903			£ s d	1903			£ s d
Dec. 1	To Capital Account	1	1,500 0 0	Dec. 28	By Profit and Loss Account—Depreciation @ 7½% per annum for one month ..	3	9 7 6
				"	" Balance carried down	√	1,490 12 6
			£1,500 0 0				£1,500 0 0
1903 Dec. 29	To Balance brought down	√	1,490 12 6				

12—*Dr.* LEASE OF 67 & 68 THE GREEN, LONDON, 26 years unexpired at 1st December 1903. *Cr.*—**12**

1903			£ s d	1903			£ s d
Dec. 1	To Capital Account	1	1,300 0 0	Dec. 28	By Profit and Loss Account—Depreciation of Lease	3	4 3 4
				"	" Balance carried down	√	1,295 16 8
			£1,300 0 0				£1,300 0 0
1903 Dec. 29	To Balance brought down	√	1,295 16 8				

13—*Dr.* GOODWILL. *Cr.*—**13**

1903			£ s d				
Dec. 1	To Capital Account	1	10,000 0 0				

14—*Dr.* BOUGHT LEDGER ACCOUNT. *Cr.*—**14**

1903				£	s	d	1903			£	s	d
Dec. 28	To Petty Cash—F. Young	..	..	0	4	0	Dec. 28	By Sundries for month	.. .. ..	2,001	18	0
	" Cash for month	..	..	1,520	10	2						
	" Discount	..	..	1	2	0						
	" Balance carried down	..	..	480	1	10						
				£2,001	18	0				£2,001	18	0
							1903 Dec. 29	By Balance (as per Bought Ledger Balances) brought down	✓	480	1	10

15—*Dr.* CUSTOMERS' LEDGER ACCOUNT. *Cr.*—**15**

1903				£	s	d	1903			£	s	d
Dec. 1	To Capital Account	..	..	1,212	10	0	Dec. 28	By Sundries—Allowances, &c., for month	1	60	4	5½
28	" Sundries—Sales for month	..	..	2,308	1	6		" Cash for month	1	2,595	17	7
								" Balance carried down	✓	864	9	5½
				£3,520	11	6				£3,520	11	6
1903 Dec. 29	To Balance (as per Customers' Ledger) brought down		✓	864	9	5½						

In this Ledger, however, are two accounts to which reference has repeatedly been made in the earlier pages of this volume. They are respectively the "BOUGHT LEDGER ACCOUNT" and the "CUSTOMERS' LEDGER ACCOUNT."

It is now proposed to explain the working of these accounts, their objects, and advantages.

The entries in the Bought Ledger itself, as already explained, are made from the following books:—

Debits.—

Cash Book (for Cash paid and Discount deducted).

Invoice Book (for Goods returned).

Credits.—

Invoice Book (for Goods received or Liability incurred).

It follows, therefore, that if the individual postings to the Bought Ledger, from the above books, are regarded as purely statistical entries, and not part of the Double-entry bookkeeping, the real Double-entry may be effected by dealing with the totals only of these respective books. Example:—

Total of Invoice Book.—

Debit the respective accounts in the General Ledger as per Analysis columns, and credit the total to the Bought Ledger Account in the Private Ledger.

Similarly with regard to the individual postings to the Customers' Ledger. These are regarded as purely statistical entries, and form no part of the "Double-entry," which is effected by dealing with the totals of the various subsidiary books, from

which all entries in the Customers' Ledger have been posted. Example:—

Total of Weekly Summary of Sales Book.—

Debit Customers' Ledger Account in the Private Ledger with the aggregate total.

Credit General Ledger Accounts, as per the headings of the Analysis columns, with the total of the respective analytical columns.

With the aid of these remarks, and a careful perusal of the accounts set forth, the reader should have little difficulty in grasping the method of working these accounts.

It will, of course, be understood that a transfer of a *contra* account from one Ledger to the other correspondingly affects the accounts kept for these Ledgers respectively in the Private Ledger, and an entry should be accordingly made by means of the Transfer Journal.

The advantages of such a system are many. It affords a complete check on the clerical accuracy of the particular Ledger, shows at a glance what is the total amount outstanding in each Ledger, and thus allows a Trial Balance of the books to be readily taken at any moment, and a Balance Sheet prepared on the shortest notice.

The following is the Trial Balance of our set of books, which proves the clerical accuracy of the work, and serves as the foundation for the preparation of the final Statement of Accounts and Balance Sheet.

THE PURE MILK DAIRY COMPANY.

TRIAL BALANCE, December 28th 1903.

		£ s d	£ s d
Cash Book Balance	1	1,167 4 0	
General Ledger—			
Milk Trading Account	1	..	512 8 1
Cream Trading Account	2	..	39 16 8
Butter Trading Account	3	..	27 13 4
Eggs Trading Account	4	..	13 18 4½
Sundry Provisions Trading Account	5	..	0 14 11
Trade Expenses	6	19 16 2	
Rents received from Sub-Tenants	7	..	4 0 0
Repairs to Loose Plant and Trade Utensils	8	5 15 2	
Rents, Rates, and Taxes	9	120 13 0	
Fuel and Lighting	10	19 15 6	
Printing, Stationery, and Advertising	11	15 13 6	
Horse-Keep	12	47 13 0	
Discount	13	0 1 6	
Wages	14	205 12 11	
Petty Cash	15	5 0 0	
Postages, Stamps, and Telegrams	16	1 1 10	
Housekeeping for Employees	17	0 14 0	
Salary of Manager	18	16 13 4	
Cash left in Tills	19	20 0 0	
Reserve for Bad and Doubtful Debts	20	..	66 6 2
Private Ledger—			
Capital Account—A. Anderson	1	..	8,266 17 0
P. Lemon	2	..	8,266 17 0
Drawing Account—A. Anderson	4	25 0 0	
P. Lemon	5	40 0 0	
Horses	6	250 0 0	
Carts, Perambulators, General Rolling Stock, &c.	7	350 0 0	
Stable Implements and Utensils	8	50 0 0	
Loose Plant and Trade Utensils	9	753 10 0	
Shop and Office Fittings, Furniture, &c.	10	900 0 0	
Fixed Plant, Refrigerating Machinery, &c.	11	1,500 0 0	
Lease of 67 & 68, The Green	12	1,300 0 0	
Goodwill	13	10,000 0 0	
Bought Ledger Account	14	..	480 1 10
Customers' Ledger Account	15	864 9 5½	
		£17,678 13 4½	£17,678 13 4½

The following is the Final Statement of Accounts and Balance Sheet, a short consideration of which will form a fitting conclusion to this chapter.

THE PURE MILK DAIRY COMPANY.

STATEMENT OF ACCOUNTS.

DEPARTMENTAL TRADING ACCOUNTS for the Month ending 28th December 1903.

Dr. MILK. *Cr.*

1903		Barns Qts. Pts.	Amount	1903		Barns Qts. Pts.	Amount
			£ s d				£ s d
Dec. 1	To Stock on hand	18 0 0	1 10 0	Dec. 28	By Sales for Month	10,373 1 0	1,380 9 7
28	„ Purchases for Month ..	10,469 7 0	872 9 11		*Less* Allowances ..	..	1 18 3
„	„ Balance, Gross Profit, carried to Profit and Loss Account	..	514 2 3				1,378 11 4
					„ Milk allowed to Carriers..	65 0 0	5 8 4
					„ Milk used for Cream ..	14 0 0	2 8 4
					„ Stock on hand	20 4 0	1 14 2
						10,472 5 0	
					Difference representing quantity of Stock perished and/or unaccounted for	15 2 0	
		10,487 7 0	£1,388 2 2			10,487 7 0	£1,388 2 2

Dr. CREAM. *Cr.*

1903		Qts. Pts.	Amount	1903		Qts. Pts.	Amount
			£ s d				£ s d
Dec. 1	To Stock on hand	13 0	1 6 0	Dec. 28	By Sales for Month	434 1½	86 18 9
28	„ Purchases for Month	432 1½	43 6 0		*Less* Allowances	..	0 1 9
„	„ Milk used for Cream	11 0	2 8 4				86 17 0
„	„ Balance, Gross Profit, carried to Profit and Loss Account ..	..	41 16 8		„ Stock on hand	20 0	2 0 0
						454 1½	
					Difference representing quantity of Stock perished and/or unaccounted for	2 0	
		456 1½	£88 17 0			456 1½	£88 17 0

Dr. BUTTER. *Cr.*

1903		lbs. ozs.	Amount	1903		lbs. ozs.	Amount
			£ s d				£ s d
Dec. 1	To Stock on hand	340 0	17 10 6	Dec. 28	By Sales for Month	6,547 2	381 18 4
28	„ Purchases for Month	6,716 8	335 12 11		*Less* Allowances	..	1 1 7
„	„ Balance, Gross Profit, carried to Profit and Loss Account ..	..	52 12 2				380 16 9
				„	„ Stock on hand	500 8	24 18 10
						7,047 10	
					Difference representing quantity of Stock perished and/or unaccounted for	8 14	
		7,056 8	£405 15 7			7,056 8	£405 15 7

Dr. **EGGS.** *Cr.*

1903		Quantity	Amount	1903		Quantity	Amount
			£ s d				£ s d
Dec. 1	To Stock on hand	6,502	23 8 4	Dec. 28	By Sales for Month	89,454	337 16 10
28	„ Purchases for Month ..	90,148	299 12 8		*Less* Allowances	..	0 17 5½
„	„ Balance, Gross Profit, carried to Profit and Loss Account ..	..	38 8 5½				336 19 4½
				„	„ Stock on hand	7,056	24 10 1
						96,510	
					Difference representing quantity of Stock perished and/or unaccounted for	140	
		96,650	£361 9 5½			96,650	£361 9 5½

Dr. **SUNDRY PROVISIONS.** *Cr.*

1903		£ s d	1903		£ s d
Dec. 1	To Stock on hand	21 18 0	Dec. 28	By Sales for Month	120 18 0
28	„ Purchases for Month	98 2 0		*Less* Allowances	0 3 1
„	„ Balance, Gross Profit, carried to Profit and Loss Account	11 19 5			120 14 11
			„	„ Stock on hand	11 4 6
		£131 19 5			£131 19 5

THE PURE MILK DAIRY COMPANY.

16—*Dr.* PROFIT AND LOSS ACCOUNT for the Month ending 28th December 1903. *Cr.*—**16**

1903		£ s d	£ s d	1903		£ s d	£ s d
Dec.2	To Wages	206 6 11		Dec.28	By Gross Profit transferred from Departmental Trading Account, viz.:—		
	„ Salary of Manager	16 13 4			Milk	514 2 3	
	„ Rent, Rates, and Taxes £76 2 0				Cream	41 16 8	
	Less Received from Sub-tenants .. 4 0 0				Butter	52 12 2	
		72 2 0			Eggs	38 8 5½	
	„ Trade Expenses	5 12 10			Sundry Provisions	11 19 5	
	„ Repairs and Renewal of Loose Plant and Utensils	5 15 2			J. 3		658 18 11½
	„ Fuel and Lighting	16 5 6					
	„ Printing, Stationery, and Advertising	10 0 0					
	„ Horse Keep and Stable Expenses	40 0 0					
	„ Stamps and Telegrams	1 1 10					
	„ Discount	0 1 6					
	„ Depreciation :— J. 3		373 19 1				
	Horses	25 0 0					
	Carts, Perambulators, &c. ..	2 18 4					
	Stable Implements and Utensils	0 8 4					
	Loose Plant and Trade Utensils	12 10 0					
	Shop and Office Fittings, Furniture, &c.	3 15 0					
	Fixed Plant, Refrigerating Machinery, &c.	9 7 6					
	Lease	4 3 4					
	J. 3		58 2 6				
			226 17 4½				
	To Balance carried down	..					
			£658 18 11½				£658 18 11½
	To Interest on Capital :—				By Balance brought down	..	226 17 4½
	A. Anderson—One month at 5% per annum on £8,266 17s. 0d.	34 8 11					
	P. Lemon—One month at 5% per annum on £8,266 17s. 0d.	34 8 11					
	J. 3		68 17 10				
	„ Balance of Net Profit after charging 5% interest on Capital carried to respective Capital Accounts, viz. :—						
	A. Anderson	78 19 9					
	P. Lemon	78 19 9½					
			157 19 6½				
			£226 17 4½				£226 17 4½

THE PURE MILK DAIRY COMPANY.

BALANCE SHEET, 28th December 1903.

LIABILITIES.	£ s d	£ s d	ASSETS.	£ s d	£ s d
Sundry Creditors, as per Bought Ledger	..	480 1 10	*Cash* :—		
Capital Account :—			In Hand (Petty)	5 0 0	
A. Anderson	8,266 17 0		(Change, Till)	20 0 0	
Add Interest thereon for one month at 5% per annum	£34 8 11		At Bank	1,167 4 0	
One half share of Profit for month as per Profit and Loss Account ..	78 19 9		*Sundry Debtors*, as per Customers' Ledger	864 9 5½	1,192 4 0
	113 8 8		*Less* Reserve for Bad and Doubtful Debts	66 6 2	798 3 3½
Less Drawings	8,380 5 8		*Stock-in-Trade* :—		
	25 0 0		Milk	1 14 2	
	8,355 5 8		Cream	2 0 0	
P. Lemon			Butter	24 18 10	
Add Interest thereon for one month at 5% per annum ..	£34 8 11		Eggs	21 10 1	
One half share of Profit as per Profit and Loss Account	78 19 9½		Sundry Provisions	11 4 6	
	113 8 8½		Fuel	3 10 0	
	8,380 5 8½		Stationery	5 13 6	
Less Drawings	40 0 0		Fodder, &c.	7 13 0	
	8,340 5 8½		*Rates, &c., paid in advance, viz.* :—		
			Rates, &c. paid in advance ..	44 11 0	
			Trade Expenses—Telephone Rent, paid in advance	14 3 4	
				58 14 4	
			Horses	250 0 0	
			Less Depreciation for Month ..	25 0 0	
				225 0 0	
			Carts, Perambulators, General Rolling Stock, &c.	350 0 0	
			Less Depreciation for Month ..	2 18 4	
				347 1 8	
			Stable Implements and Utensils ..	50 0 0	
			Less Depreciation for Month ..	0 8 4	
				49 11 8	
			Loose Plant and Trade Utensils ..	753 10 0	
			Less Depreciation for Month ..	12 10 0	
				741 0 0	
			Shop and Office Fittings, Furniture, &c.	900 0 0	
			Less Depreciation for Month ..	3 15 0	
				896 5 0	
			Fixed Plant, Refrigerating Machinery, &c.	1,500 0 0	
			Less Depreciation for Month ..	9 7 6	
				1,490 12 6	
			Lease	1,300 0 0	
			Less Depreciation	4 3 4	
				1,295 16 8	
			Goodwill (at Cost)	10,000 0 0	
		£17,175 13 2½			£17,175 13 2½

The Departmental Trading Accounts are merely the reproduction, in a more summarised form, of the accounts of the same name in the General Ledger.

The Profit and Loss Account shows on the one side what indirect expenses have been necessary to earn the gross profit realised on trading as shown on the other side thereof. Depreciation has been provided at the usual rates, also interest upon the balances of the respective partners' capital. The balance of net profit is divided equally between the partners and transferred to the respective Capital Accounts.

The Balance Sheet is a Summary of the Balances now remaining on our books. On the one side are marshalled the assets in the order of their easy realisation. On the other side is shown the amount due to creditors, and the balance—viz., Capital Account—shows the surplus of assets over liabilities at that date.

CHAPTER VII.

DAIRY ACCOUNTS AS APPLIED TO A FIRM WITH RETAIL SHOPS AND BRANCHES OR TO A LIMITED COMPANY.

In addition to the books already considered in the previous chapters, a firm or company possessing retail shops and branches requires to keep a few further books in which to record the trading and financial results of each. Also in the case of a limited company, in addition to the necessary financial books, certain statutory books have to be kept.

It is proposed to first deal with the accounts kept at the Head Office of a firm or company possessing retail shops. These, of courst, exist primarily for the purpose of retailing only the goods sent to them by the Head Office, consequently they do not make any purchases for themselves, and their Book Debts, or Credit Sales, are taken over by the Head Office at the end of each day.

In such cases the following additional books are necessary at the Head Office.

(1) Shops Day Book.
(2) Shops Ledger.

The Shops Day Book is ruled precisely similar to the specimen Day Book given on pages 26-29. In it are entered the details of the quantity and value of all goods sent daily to each

shop. The prices charged are based upon the actual cost to the Head Office, plus a percentage of the Head Office establishment expenses. This percentage is fixed according to the ratio of the yearly turnover of the particular shop to the total yearly turnover of the whole of the firm's (or company's) undertaking. Such prices are termed Shop's Cost Prices. The items of this book are posted to the account of the particular shop in the Shops Ledger, just in the same way as if the shop was an ordinary customer.

The Shops Ledger is opened with a separate page for each shop, and each page is again divided for the Departmental Analysis into Milk, Cream, Butter, Eggs, and Sundry Provisions, as shown in the case of Cash Sales on pages 48-49. On pages 82-83 is a specimen page of this Ledger.

It will be noticed that the ruling is identical with that of the Customers' Ledger (specimen pages 46-47), with the exception that the headings are adapted to meet the present requirements.

In the first column is entered the value of the Stock-on-hand, in the adjoining columns are the postings (of the goods sent each day to the shop) from the Shops Day Book, and the procedure is identically the same as with the Customers' Ledger, explained in Chapter V.

Dealing now with the credit side of this account, it will be observed that this is composed of cash remitted to Head Office (or banked direct by the shop), Book Debts taken over by the Head Office, Weekly Profit and Loss, and Stock carried forward. As regards Cash remitted by the shop, it is preferable in cases where the shops are numerous to keep a Shop's Cash Book, ruled on the same principle as the Daily Cash Book. (Specimen page 34.)

I

SHOP ACCOUNT OF "THE SUBURBAN DAIRY," 103 LOST HILL ROAD.

Week ending December 7th 1903.

	Name	Stock Forward	Daily Goods Received from Head Office S.	M.	T.	W.	T.	F.	S.	Weekly Summary of Goods Received: Milk	Sundries	Total
1	Milk	£ s d 0 3 2	..	Qts. 24 =5/-	Qts. 24 =5/-	Qts. 23 =4/9½	Qts. 27 =5/7½	Qts. 28 =5/10	Qts 36 =7/6	£ s d 1 13 9	£ s d ..	£ s d 1 16 11
2	..	..	..	..	..	..	..	..	..	..	..	..
3												
4	Cream	0 4 9	..	1/-	..	2/-	..	2/-	2/-	..	0 7 0	0 11 9
5	..	..	..	..	..	..	..	..	..	..	..	..
6												
7	Butter	1 12 8	..	1/4/0	12/1	..	..	12/1	1/4/0	..	3 12 2	5 4 10
8	..	..	..	..	..	..	..	..	..	..	..	..
9												
10	Eggs	1 19 5½	..	1/15/0	12/6½	7/6	..	7/6	1/15/0	..	4 17 6½	6 16 11¾
11	..	..	..	..	..	..	..	..	..	..	..	..
12												
13	Sundry Provisions ..	5 6 1½	1/2/6	2/-	1/2/6	2/-	2/-	2/-	4/6	..	2 17 6	8 3 7½
14	..	..	..	..	..	..	..	..	..	..	..	..
15												
16		£9 6 1¾	1/2/6	3/7/0	2/12/1½	16/3½	7/7½	1/9/5	3/13/0	£1 13 9	£11 14 2½	£22 14 1¼
17												
18					£13 7 11½							
19										£13 7 11½		
20												
21												
22												
23												
24												
25												
26												
27												
28												
29												
30												
31												
32												
33												
34												
35												

Dr. SUMMARY for Week ending December 7th 1903. *Cr.*

	£ s d	£ s d		£ s d	£ s d
Commencing Stock ..	..	9 6 1¾	Cash remitted to Head Office	..	8 14 7½
Goods from Head Office :—			Debts taken over by Head Office	..	8 8 5½
Milk	1 13 9		Closing Stock on Hand	..	10 8 0¾
Sundries ..	11 14 2½				
		13 7 11½			
		22 14 1¼			
Profit for Week	..	4 17 0			
		£27 11 1¼			£27 11 1¼

I

Daily Cash Remitted to and Debts taken over by Head Office

Black Ink—Cash Remitted. Red Ink—Debts taken over

S.	M.	T.	W.	T.	F.	S.	Date	C.B. Folio	Amount	Weekly Profit and Loss: Black Ink—Loss Red Ink—Profit	Remarks
									£ s d	£ s d	
..	2/10	3/0	3/8	3/2	2/8	4/10	..	..	1 0 2		
* ..	*5/2*	*5/4*	*6/4*	*5/2*	*5/10*	*6/4*	..	..	*1 14 2*	*1 0 1*	Profit
..	1/3	9d.	1/4	4d.	1/2	1/6	..	..	0 6 4		
* *8d.*	*6d.*	*1/2*	*3d.*	*1/10*	*6d.*	*2/5*	..	..	*0 7 4*	*0 7 0*	"
..	10/3	8/5½	10/-	9/6½	13/6	13/3	..	..	3 5 0		
* ..	*4/2½*	*9/6*	*7/9*	*6/7½*	*3/10*	*14/6*	..	..	*2 6 5*	*2 19 9½*	"
..	7/9	8/11	5/9	9/3	7/3	11/8	..	..	2 10 7		
* ..	*6/4½*	*5/-*	*6/5*	*9/5½*	*9/1*	*14/2½*	..	..	*2 10 9½*	*0 7 8¼*	Loss
..	3/9¾	3/10½	6/8¾	6/3½	5/7¾	6/2½	..	..	1 12 6¼		
* ..	*3/7¼*	*4/6½*	*3/7½*	*5/1½*	*4/10½*	*7/11*	..	..	*1 9 8¾*	*0 17 9¾*	Profit
	1/5/10¾	1/4/11¾	1/7/5¾	1/8/7	1/10/2¾	1/17/5½			8 14 7½	£4 17 0	(Total Profit, *less* Loss on Eggs.)
									8 8 5¾		
			£8 14 7½						£17 3 0¾		
8d.	*19/10¾*	*1/5/6½*	*1/4/4½*	*1/8/2½*	*1/4/4½*	*2/5/4½*					
			£8 8 5½								

* *Note.*—Italics are used to indicate figures in Red denoting Debts taken over by Head Office.

	Stock Forward
1	£ s d 0 2 8
2	
3	
4	0 5 1
5	
6	
7	2 13 2½
8	
9	
10	1 7 11
11	
12	
13	5 19 2
14	
15	
16	£10 8 0½
17	
18	
19	
20	
21	
22	
23	
24	
25	
26	
27	
28	
29	
30	
31	
32	
33	
34	
35	

NOTE.—The above is a specimen ruling of the left-hand side of the Ledger opening. The right-hand side is ruled similarly, so as to record, on one opening of the Ledger, the transactions of a fortnight.

The totals thereof are carried into the General Cash Book and entered in a special column provided therein for that purpose, or, in the case of the shop paying in direct to the Head Office Banking Account, the various items automatically find their way into the General Cash Book when writing up this latter book from the duplicate of the Bank Paying-in Slips, which latter should be sent by the shops to the Head Office with the Daily Statement (explained later) at the end of each day. It is usual in some cases to appoint a collector who visits each shop once a week and collects the cash received to that date, and pays it into the company's account at the nearest branch of the bank.

As regards the daily Book Debts or Credit Sales of the shop taken over by the Head Office, it may be here stated that this is only done where it is desired to render one Weekly Account to the customer direct from the Head Office. A separate page is used of the Customers' Ledger for debts due to each shop. The individual amounts due from each customer of the particular shop are set out in the Daily columns on the debit side of this account, the daily total being correspondingly credited to the account of the particular shop in the Shops Ledger. If desired, a separate Shop Debts Ledger may be kept instead of using the Customers' Ledger.

The figures in the column of "Profit and Loss" represent the weekly profit or loss in each department, and are arrived at by deducting from the figures of the "Total Due" column the figures in the respective columns of "Cash remitted and Debts taken over" and "Stocks on hand."

A little thought will make clear to the reader that if a separate and special book is used for the Shops' Ledger instead of a page of the Customers' Ledger, such a book might be provided with an extra column inserted immediately before the "Total

Due" column, in which to enter the figures of profit. In the specimen ruling given, the figures of profit are shown in italics, indicating red ink, and those of loss in black, the difference only being shown in the total. It will be understood that when agreeing the cross addition of the totals of the columns of this side of the Ledger, the figures in red must be deducted from the black. The result will then agree with the figures of the "Total Due" column.

The most interesting column in this Shop's Account is that of the "Profit and Loss," which is departmentally shown at the end of each week. The figures of this column, if in red, indicate the gross profit; and if in black, the gross loss, made for the week. At a glance, therefore, can be seen the weekly departmental trading results of each shop, and under such a system an effectual check is obtained upon all the transactions of each shop.

Should any of the debts so taken over from the shops be in respect of a customer already on the Customers' Ledger at the Head Office, a note should be made against the particular customer's name, where it originally appears, referring to the page of the shop debts, so as to assist the clerk in rendering one account for the whole amount due by that customer.

The only books necessary to be kept at the shops are:—

(1) Day Book.
(2) Petty Cash Book.
(3) Rough Cash Received Book.

The Day Book is ruled as per specimen on pages 26-29, and shows at the end of each day, in quantities and values, the total day's sales. A Summary of this book should be furnished to the Head Office each night.

Petty Cash is kept upon the "Imprest" System (already explained in the earlier part of this volume), and a Summary of

the Total Expenditure under the various headings sent, at the end of each week, to the Head Office.

A Cash Till is kept for recording the Cash Sales, and a rough Cash Received Book for customers' accounts paid at the shop. A Summary of this also should be furnished to the Head Office each night.

In some instances carriers' rounds are worked from the shop. In such cases the shop requires to keep its own Customers' Ledger, and be responsible for the collection of its own Book Debts. Under these circumstances, the items of "Book Debts taken over" would not appear in the Ledger Account of that particular shop in the Shops' Ledger at Head Office; but, instead, an additional column would be provided, adjoining that of the "Stock-on-hand," for the balance of the Book Debts still outstanding at the end of each week, as per the Weekly Return of the shop, or the "Stock-on-hand" column may be made to serve the dual purpose.

We will now turn to the question of BRANCH ACCOUNTS AS DISTINGUISHED FROM SHOP ACCOUNTS.

The object of a Branch, or Depôt, is to take the place of the Head Office in controlling a certain number of shops in a given district. This distinction between a Shop and a Branch must be clearly borne in mind in considering the following remarks. As between the branch and the particular shops under its jurisdiction the bookkeeping and general transactions are recorded exactly in the same manner as already described as taking place between the Head Office and shops.

As between the Head Office and branches the bookkeeping is equally simple. The additional Head Office books necessary are:—

(1) Branch Day Book.
(2) Branch Cash Book.
(3) Branch Ledger.

The Head Office charges the Branches, by means of the Branch Day Book, with the quantity and value of the goods delivered daily to the particular Branch. The basis of the price being settled, as previously explained, so as to apportion to all the Branches the administration expenses of the Head Office. The Branches in turn deal with the shops in a similar manner.

It will thus be seen that the shops are directly accountable to their particular Branch or Depôt, and the latter, in turn, to the Head Office.

The Branch Cash Book contains the items of cash remitted by each Branch, or paid by it into the banking account of the firm. The total being carried into the General Cash Book, as explained in the case of shops.

Some of the cash received by a Branch, however, will be used by it for making purchases and paying general expenses, so that it is not possible to pay the whole of the cash receipts into the Head Office Banking Account intact. An abstract of the Cash Account, together with a complete Trial Balance of its books, is sent to the Head Office at end of every month.

It may here be pointed out that at the particular Branch Office itself a complete set of books must be kept, and, on a Trial Balance being extracted, the balance of the Head Office Account shown thereon should agree with the balance of the Branch Account shown in the Head Office books.

It not infrequently happens that one shop transfers goods to another. These transfers are best recorded at the Head Office or Branch Office, as the case may be, by means of a Columnar Journal, ruled with a column for each shop on the debit side, and again on the credit side. The shop receiving is debited, and the shop sending is credited, with the value of the goods. The monthly totals of these columns are then posted to the

various Shop Accounts in the books of the Head Office or Branch Office, as the case may be.

Similar transfers as between one Branch and another will, of course, be recorded only in the books of the respective Branches by means of an ordinary Ledger Account kept in the respective Branch books.

The subject of Branch Accounts is a large one, with which, in the scope of the present work, it is impossible to exhaustively deal. It is, however, hoped that sufficient has been said to indicate a general outline of the system.

Statutory Books to be kept by a Limited Company.—

The Companies Acts, 1862-1900, require that certain statistical books should be kept by every company registered under these Acts.

These books are:—

(1) Register of Members.
(2) Annual List of Members and Summary.
(3) Register of Mortgages.
(4) Register of Directors or Managers.
(5) Minute Book.

None of these books affect the financial accounts of the company, and beyond calling attention to the necessity for their existence, it is not here intended to further deal with them. These books may be purchased from all law stationers, ruled ready for use. The first four books are usually bound together in one volume, and are admirably suitable for use by small companies.

CHAPTER VIII.

BOOKS AND ACCOUNTS NECESSARY FOR SMALL DAIRYMEN POSSESSING ONE ESTABLISHMENT ONLY.

It has, no doubt, occurred to the reader that the list of books enumerated on pages 4 and 5, and dealt with (each in turn) in the pages subsequent thereto, are not all necessary in the case of a small dairyman. This is quite true, and it is now proposed to show which of such books are absolutely necessary, and to consider how the uses of some two or more books may be combined into one with the same ultimate result.

Of the original list the following books are indispensable, even to a small dairyman:—

Goods Received Book.
Milk Stock Book.
Day Book.
Weekly Summary of Sales Book.
Daily Cash Received Book.
Petty Cash Book.
Customers' Ledger.
General and Private Ledgers (combined in one book).
Journal.

The above books are ruled as per the specimens shown in the foregoing chapters, and are kept upon the principles already enunciated.

It will be noticed that of the original list the Invoice Book, Bought Ledger, and General Cash Book are omitted in the above list. This because small dairymen practically pay their creditors from week to week, so that there is usually but one week's liabilities outstanding at any given date. It is, therefore, not considered necessary to keep a Bought Ledger. A General Cash Book, however, is kept, on the right-hand side (or payments) side of which columns are provided for the analysis of the amount of each cheque drawn, under similar headings to those set out in the Invoice Book, the column at the extreme right containing the total amount of the cheque.

At the end of each month these columns are cast, and the cross additions thereof should agree with the addition of the last column—viz., "Total amount of cheque drawn." The totals of the respective analytical columns are then posted to accounts in the General Ledger opened in accordance with the headings thereof.

The left-hand side of this Cash Book contains columns exactly as in the case of the specimen shown on page 38.

When the postings have been completed and the Trial Balance agreed, as already explained in the example on page 73, it remains to go into the question of Stocks-on-hand and Liabilities outstanding, in order that the Trading and Profit and Loss Accounts and Balance Sheet may be prepared. A list of these outstanding liabilities is made, and analysed under the same headings as the analytical columns of the Cash Book, and posted to the General Ledger Accounts by means of the Transfer Journal, thus:—

	£ s d	£ s d
Sundries .. .. *Dr.*		
To Sundry Creditors .. .. *Cr.*		
For the following Liabilities outstanding at this date as per separate detailed list—		
Milk		
Cream		
Butter		
Eggs		
Goods		
Rent		
Rates and Taxes		
Printing and Stationery		
Horse Keep		
&c.		

This done, and the respective Departmental Trading Accounts adjusted for the value of Stocks-on-hand, the final accounts and Balance Sheet may be at once prepared. Small dairymen do not, as a rule, keep accounts of the quantities of the Purchases and Sales of Cream, Butter, and Eggs. A rough and ready test is applied by assuming an average rate of gross profit upon the Sales of the particular department. Usually the gross profits of the whole three departments are summarised together, and tested by assuming that, if normal times are experienced, the rate of gross profit ought to be equal to 20 per cent. on the total Sales of these departments. It need not, of course, be further argued that this is but a very approximate test at best, and a certain amount of leakage may still remain undetected. However, it might serve to indicate whether or not any serious discrepancy exists.

In very small dairy businesses even the keeping of the Day Book is omitted by entering, from a rough Memoranda Book, the items of Credit Sales direct to the Customer's Account in the Customers' Ledger. At the end of the week the weekly totals of Sales are extended into the Weekly Total column, and an analysis into Milk, Cream, Butter, Eggs, and Sundry Provisions is made direct from the Ledger upon a special sheet of paper. The departmental totals thus ascertained having been

agreed with the total of the "Weekly Total" columns, are entered in the Weekly Summary of Sales Book. At the end of the month the total of this book is dealt with as already explained on page 31, thus completing the "Double-entry."

Subject to the above curtailments, the benefits and advantages of the system of accounts which has been set forth in this volume may be shared by even the smallest dairyman, and it is hoped a careful perusal of the examples given will afford even him that help and assistance in the conduct of his business which is so necessary in the present day of keen industrial competition.

CHAPTER IX.

STATUTORY ENACTMENTS RELATING TO DAIRIES.

SECTION 34 of the Contagious Diseases (Animal) Act, 1878, enacted that Her Majesty's Most Honourable Privy Council might from time to time make such general or special Orders as they should think fit, subject and according to the provision of the Act for the purpose specified in that section.

On the 15th of June 1885 the Privy Council, in pursuance of the powers vested in them above referred to, made a General Order known as "The Dairies, Cowsheds, and Milkshops Order of 1885." The following is the full text of the Order:—

THE DAIRIES, COWSHEDS, AND MILKSHOPS ORDER OF 1885.

AT THE COUNCIL CHAMBER, WHITEHALL,

The 15th day of June 1885.

By Her Majesty's Most Honourable Privy Council.

Present: LORD PRESIDENT, MR. TREVELYAN.

The Lords and others of Her Majesty's Most Honourable Privy Council, by virtue and in exercise of the powers in them vested under the Contagious Diseases (Animals) Act, 1878, and of every other power enabling them in this behalf, do order, and it is hereby ordered, as follows:—

Short Title.

1. This Order may be cited as the Dairies, Cowsheds, and Milkshops Order of 1885.

Extent.

2. This Order extends to England and Wales and Scotland only.

Commencement.

3. This Order shall commence and take effect from and immediately after the thirtieth day of June, one thousand eight hundred and eighty-five.

Interpretation.

4. In this Order—

The Act of 1878 means the Contagious Diseases (Animals) Act, 1878.

Other terms have the same meaning as in the Act of 1878.

Revocation of former Order.

5. The Dairies, Cowsheds, and Milkshops Order of July 1879 is hereby revoked: Provided that nothing in this Order shall be deemed to revive any Order of Council thereby revoked or to invalidate or make unlawful anything done before the commencement of this Order, or interfere with the institution or prosecution of any proceeding in respect of any offence committed against, or any penalty incurred under, the said Order hereby revoked.

Registration of Dairymen and others.

6.—(1) It shall not be lawful for any person to carry on in the district of any local authority the trade of cowkeeper dairyman, or purveyor of milk, unless he is registered as such therein in accordance with this article.

(2) Every local authority shall keep a Register of persons from time to time carrying on in their district the trade of cowkeepers, dairymen, or purveyors of milk, and shall from time to time revise and correct the Register.

(3) The local authority shall register every such person, but the fact of such registration shall not be deemed to authorise such person to occupy as a dairy or cowshed any particular building or in any way preclude any proceedings being taken against such person for non-compliance with or infringement of any of the provisions of this Order or any regulation made thereunder.

(4) The local authority shall from time to time give public notice by advertisement in a newspaper circulating in their district, and, if they think fit, by placards, hand-bills, or otherwise, of registration being required, and of the mode of registration.

(5) A person who carries on the trade of cowkeeper or dairyman for the purpose only of making and selling butter or cheese or both, and who does not carry on the trade of purveyor of milk, shall not, for the purposes of registration, be deemed to be a person carrying on the trade of cowkeeper or dairyman, and need not be registered.

(6) A person who sells milk of his own cows in small quantities to his workmen or neighbours, for their accommodation, shall not, for the purposes of registration, be deemed, by reason only of such selling, to be a person carrying on the trade of cowkeeper, dairyman, or purveyor of milk, and need not, by reason thereof, be registered.

Construction and Water Supply of New Dairies and Cowsheds.

7.—(1) It shall not be lawful for any person following the trade of cowkeeper or dairyman to begin to occupy as a dairy or cowshed any building not so occupied at the commencement of this Order, unless and until he first makes provision, to the reasonable satisfaction of the local authority, for the lighting, and the ventilation including air-space, and the cleansing, drainage, and water supply, of the same, while occupied as a dairy or cowshed.

(2) It shall not be lawful for any such person to begin so to occupy any such building without first giving one month's notice in writing to the local authority of his intention so to do.

Sanitary State of all Dairies and Cowsheds.

8. It shall not be lawful for any person following the trade of cowkeeper or dairyman to occupy as a dairy or cowshed any building, whether so occupied at the commencement of this Order or not, if and as long as the lighting, and the ventilation including air-space, and the cleansing, drainage, and water supply thereof, are not such as are necessary or proper—

(*a*) for the health and good condition of the cattle therein; and

(*b*) for the cleanliness of milk vessels used therein for containing milk for sale; and

(*c*) for the protection of the milk therein against infection or contamination.

Contamination of Milk.

9. It shall not be lawful for any person following the trade of cowkeeper or dairyman or purveyor of milk, or being the occupier of a milk-store or milk-shop—

(*a*) to allow any person suffering from a dangerous infectious disorder, or having recently been in contact with a person so suffering, to milk cows or to handle vessels used for containing milk for sale, or in any way to take part or assist in the conduct of the trade or business of the cowkeeper or dairyman, purveyor of milk, or occupier of a milk-store or milk-shop, so far as regards the production, distribution, or storage of milk; or

(*b*) if himself so suffering or having recently been in contact as aforesaid, to milk cows, or handle vessels used for containing milk for sale, or in any way to take part in the conduct of his trade or business, as far as regards the production, distribution, or storage of milk—

until in each case all danger therefrom of the communication of infection to the milk or of its contamination has ceased.

10. It shall not be lawful for any person following the trade of cowkeeper or dairyman or purveyor of milk, or being the occupier of a milk-store or milk-shop, after the receipt of notice of not less than one month from the local authority calling attention to the provisions of this article, to permit any water-closet, earth-closet, privy, cesspool, or urinal to be within, communicate directly with, or ventilate into any dairy or any room used as a milk-store or milk-shop.

11. It shall not be lawful for any person following the trade of cowkeeper or dairyman or purveyor of milk, or being the occupier of a milk-store or milk-shop to use a milk-store or milk-shop in his occupation, or permit the same to be used, as a sleeping apartment, or for any purpose incompatible with the proper preservation of the cleanliness of the milk-store or milk-shop, and of the milk-vessels and milk therein, or in any manner likely to cause contamination of the milk therein.

12. It shall not be lawful for any person following the trade of cowkeeper or dairyman or purveyor of milk to keep any swine in any cowshed or other building used by him for keeping cows, or in any milk-store or other place used by him for keeping milk for sale.

Regulations of Local Authority.

13. A local authority may from time to time make regulations for the following purposes, or any of them:

(*a*) For the inspection of cattle in dairies.

(*b*) For prescribing and regulating the lighting, ventilation, cleansing, drainage, and water supply of dairies and cowsheds in the occupation of persons following the trade of cowkeepers or dairymen.

(*c*) For securing the cleanliness of milk-stores, milk-shops, and of milk-vessels used for containing milk for sale by such persons.

(*d*) For prescribing precautions to be taken by purveyors of milk and persons selling milk by retail against infection or contamination.

Provisions as to Regulations of Local Authority.

14. The following provisions shall apply to regulations made by a local authority under this Order:

(1) Every regulation shall be published by advertisement in a newspaper circulating in the district of the local authority.

(2) The local authority shall send to the Privy Council a copy of every regulation made by them not less than one month before the date named in such regulation for the same to come into force.

(3) If at any time the Privy Council are satisfied on inquiry, with respect to any regulation, that the same is of too restrictive a character, or otherwise objectionable, and direct the revocation thereof, the same shall not come into operation, or shall thereupon cease to operate, as the case may be.

Existence of Disease among Cattle.

15. If at any time disease exists among the cattle in a dairy or cowshed, or other building or place, the milk of a diseased cow therein—

(*a*) shall not be mixed with other milk; and

(*b*) shall not be sold or used for human food; and

(*c*) shall not be sold or used for food of swine, or other animals, unless and until it has been boiled.

Acts of Local Authorities.

16.—(1) All orders and regulations made by a local authority under the Dairies, Cowsheds, and Milkshops Order of July 1879, or any Order revoked thereby, and in force at the making of this Order shall, as far as the same are not varied by or inconsistent with this Order, remain in force until altered or revoked by the local authority.

(2) Forms of Registers and other forms which have been before the making of this Order prepared for use by a local authority under the Dairies, Cowsheds, and Milkshops Order of July 1879, or any Order revoked thereby may be used, as far as they are suitable for the purposes of this Order.

Scotland.

17. Nothing in this Order shall be deemed to interfere with the operation of the Cattle Sheds in Burghs (Scotland) Act, 1866.

C. L. PEEL.

(This Order was amended in 1886, see copy of amending Order following.)

THE DAIRIES, COWSHEDS, AND MILKSHOPS AMENDING ORDER, 1886.

To the Mayor and Commonalty and Citizens of the City of London, acting by the Mayor, Aldermen, and Commons of that City in Common Council assembled;

To the Metropolitan Board of Works;

To the several Urban and Rural Sanitary Authorities for the time being in England and Wales;

And to all others whom it may concern.

Whereas by Section 34 of the Contagious Diseases (Animals) Act, 1878 (hereinafter referred to as "the principal Act"), it was enacted that Her Majesty's Most Honourable Privy Council (hereinafter referred to as "the Privy Council") might from time to time make such general or special Orders as they should think fit, subject and according to the provisions of the Act, for the purposes specified in that section;

And whereas on the 15th day of June 1885 the Privy Council, in pursuance of the powers vested in them by the principal Act, made a General Order known as "The Dairies, Cowsheds, and Milkshops Order of 1885" (hereinafter referred to as "the Order of 1885"); and such Order extends to the whole of England and Wales;

And whereas by Article 14 of the Order of 1885, it is provided that a copy of every regulation therein referred to shall be sent to the Privy Council, and that if at any time the Privy Council are satisfied on inquiry with respect to any regulation that the same is of too restrictive a character, or otherwise objectionable, and direct the revocation thereof, the same shall not come into operation, or shall thereupon cease to operate, as the case may be;

And whereas by Section 9 of the Contagious Diseases (Animals) Act, 1886 (hereinafter referred to as "the Act of 1886"), it is enacted as follows:—

"(1) The powers vested in the Privy Council of making general or special Orders under Section thirty-four of the principal Act, for the purposes in that Section mentioned, are hereby transferred to and shall henceforth be exerciseable by the Local Government Board; every such Order shall have effect as if enacted in this section, and shall be published in such manner as the Local Government Board may direct, and the said Board may from time to time alter or revoke any such Order."

"(2) For the purposes of the said section and this section, and of any Order in force thereunder, the expression local authority, unless the context otherwise requires, in the metropolis has the same meanings as in the principal Act, and elsewhere has the same meanings as in the Public Health Act, 1875."

. . . . . .

"(5) The like penalties for offences against orders or regulations made for the purposes of Section 34 of the principal Act as amended by this section may be imposed by the Local Government Board or local authority making the same, and such offences may be prosecuted and penalties recovered in a summary manner, and subject to the like provisions, as if such orders or regulations were bye-laws of a local authority under the Public Health Act, 1875, and as if the local authority mentioned in that Act included a local authority in the metropolis as defined in this section."

. . . . . .

"6 (*a*) The Dairies, Cowsheds, and Milkshops Order of 1885, and any regulations thereunder, or having effect in pursuance thereof, made by any local authority under the principal Act, other than the local authority of a county, shall be deemed to have been made respectively by the Local Government Board and by a local authority under this section."

And whereas it is expedient that the Order of 1885 should be altered as hereinafter mentioned, and that penalties should be imposed for offences against such Order:

Now therefore, We, the Local Government Board, in pursuance of the powers vested in us by the Act of 1886, hereby Order as follows:—

Article 1.—This Order may be cited as "The Dairies, Cowsheds, and Milkshops Amending Order of 1886."

Article 2.—Article 14 of the Order of 1885 shall be altered by the substitution therein of the words "Local Government Board" for the words "Privy Council" occurring therein.

Article 3.—If any person is guilty of an offence against the Order of 1885, he shall for every such offence be liable to a penalty of Five Pounds, and in the case of a continuing offence to a further penalty of Forty Shillings for each day after written notice of the offence from the local authority.

Provided, nevertheless, that the Justices or Court before whom any complaint may be made, or any proceedings may be taken in respect of any such offence, may, if they think fit, adjudge the payment as a penalty of any sum less than the full amount of the penalty imposed by this Order.

Article 4.—In this Order the expression "local authority" means—

In the City of London and the Liberties thereof, the Mayor and Commonalty and Citizens of the City of London, acting by the Mayor, Aldermen, and Commons of that City in Common Council assembled:

In the Metropolis, except the City of London and the Liberties thereof, the Metropolitan Board of Works:

Elsewhere than in the Metropolis, the Urban or Rural Sanitary Authority.

Given under the Seal of Office of the Local Government Board this First day of November, in the year One thousand eight hundred and eighty-six.

(L.S.) CHAS. T. RITCHIE,
President.

HUGH OWEN,
Secretary.

THE DAIRIES, COWSHEDS, AND MILKSHOPS ORDER OF 1899.

To the London County Council;

To the Mayor and Commonalty and Citizens of the City of London, acting by the Mayor, Aldermen, and Commons of that City in Common Council assembled;

To the Mayor, Aldermen, and Burgesses of the several County Boroughs for the time being in England and Wales;

To the several Urban and Rural District Councils for the time being in England and Wales;

And to all others whom it may concern.

Whereas on the 15th day of June 1885 Her Majesty's Most Honourable Privy Council (hereinafter referred to as "the Privy Council"), in pursuance of the statutory provisions in that behalf, made an Order (hereinafter referred to as "the Order") which is known as "The Dairies, Cowsheds, and Milkshops Order of 1885";

And whereas certain powers of the Privy Council, including the power of altering or revoking the Order, have been transferred to us, the Local Government Board; and, in pursuance of such powers, the Order has been altered by an Order (hereinafter referred to as "the Amending Order"), which was made by us on the 1st day of November 1886, and is known as "The Dairies, Cowsheds, and Milkshops Amending Order of 1886";

And whereas it is expedient that the Order as altered by the Amending Order should be further altered:

Now therefore, in pursuance of the powers vested in us in that behalf, We hereby Order as follows:—

Article I.—This Order may be cited as "The Dairies, Cowsheds, and Milkshops Order of 1899."

Article II.—Article 15 of the Order shall be altered so that, for the purposes of the provisions of paragraphs (*a*) and (*b*) thereof the expressions in the said article which refer to disease shall include, in the case of a cow, such disease of the udder as shall be certified by a veterinary surgeon to be tubercular; and the Order and the Amending Order shall apply and be construed with the modifications necessary to give effect to this article.

Given under the Seal of Office of the Local Government Board this Seventh day of February, in the year One thousand eight hundred and ninety-nine.

(L.S.) HENRY CHAPLIN,
President.

S. B. PROVIS,
Secretary.

It will be noticed that Article 13 of the Order of the 15th of June 1885 gives Town and Urban District Councils power to make regulations for the purposes set out in that article.

Representations were made to the Local Government Board to the effect that it would be desirable that they should issue Model Regulations for the guidance of Councils in making regulations under this Article, but they deferred doing so pending the Report of the Royal Commission on Tuberculosis.

That Report having been duly made, the Board caused some Model Regulations to be prepared, and the following is a copy thereof:—

MODEL REGULATIONS: DAIRIES, COWSHEDS, AND MILKSHOPS.

Regulations made by the *
with respect to Dairies, Cowsheds, and Milkshops in the†

INTERPRETATION.

1. Throughout these regulations the expression "The Council" means the*
the expression "the District" means the†
the expression "Cowshed" includes any dairy in which milking cows may be kept, and the expression "Cowkeeper" means any person following the trade of a cowkeeper or dairyman who is, or is required to be, registered under the Diaries, Cowsheds, and Milkshops Order of 1885.

FOR THE INSPECTION OF CATTLE IN DAIRIES.

2. Every occupier of a dairy wherein any cattle may be kept, and which the Medical Officer of Health, or the Inspector of Nuisances, or any other officer of the Council specially authorised by them in that behalf, may visit for the purpose of inspecting cattle, and every person for the time being having the care or control of any such dairy, or of any cattle therein, shall afford such Medical Officer of Health,

* "Mayor, aldermen, and burgesses, of the borough of , acting by the Council" *or* "Urban (*or* Rural) District Council of ," *as the case may be.*

† "Borough" *or* "Urban (*or* Rural) District of ," *as the case may be.*

Inspector of Nuisances, or officer, all reasonable assistance that may, for the purpose of the inspection, be required by him.

FOR PRESCRIBING AND REGULATING THE LIGHTING, VENTILATION, CLEANSING, DRAINAGE, AND WATER SUPPLY OF COWSHEDS AND DAIRIES IN THE OCCUPATION OF PERSONS FOLLOWING THE TRADE OF COWKEEPERS OR DAIRYMEN.

PART I.

The regulations in this part shall apply to cowsheds, the cows from which are habitually grazed on grass land during the greater part of the year, and when not so grazed, are habitually turned out during a portion of each day.

Lighting.

3. Every cowkeeper shall provide that every cowshed in his occupation shall be sufficiently lighted with windows, whether in the sides or roof thereof.

Ventilation.

4. Every cowkeeper shall cause every cowshed in his occupation to be sufficiently ventilated, and for this purpose to be provided with a sufficient number of openings into the external air to keep the air in the cowshed in a wholesome condition.

Cleansing.

5.—(1) Every cowkeeper shall cause every part of the interior of every cowshed in his occupation to be thoroughly cleansed from time to time as often as may be necessary to secure that such cowshed shall be at all times reasonably clean and sweet.

(2) Such person shall cause the ceiling or interior of the roof, and the walls of every cowshed in his occupation, to be properly limewashed *twice* at least in every year, that is to say, once during the month of May and once during the month of October, and at such other times as may be necessary.

Provided that this requirement shall not apply to any part of such ceiling, roof, or walls, that may be properly painted, or varnished, or constructed of or covered with any material such as to render the limewashing unsuitable or inexpedient, and that may be otherwise properly cleansed.

(3) He shall cause the floor of every such cowshed to be thoroughly swept, and all dung and other offensive matter to be removed from

such cowshed as often as may be necessary, and not less than *once* in every day.

Drainage.

6.—(1) Every cowkeeper shall cause the drainage of every cowshed in his occupation to be so arranged that all liquid matter which may fall or be cast upon the floor may be conveyed by a suitable open channel to a drain inlet situate in the open air at a proper distance from any door or window of such cowshed, or to some other suitable place of disposal which is so situate.

(2) He shall not cause or suffer any inlet to any drain of such cowshed to be within such cowshed.

Water Supply.

7.—(1) Every cowkeeper shall keep in, or in connection with, every cowshed in his occupation a supply of water suitable and sufficient for all such purposes as may from time to time be reasonably necessary.

(2) He shall cause any receptacle which may be provided for such water to be emptied and thoroughly cleansed from time to time as often as may be necessary to prevent the pollution of any water that may be stored therein, and where such receptacle is used for the storage only of water he shall cause it to be properly covered and ventilated, and so placed as to be at all times readily accessible.

PART II.

The regulations in Part I., and also the following regulation, shall apply to all cowsheds other than those the cows from which are habitually grazed on grass land during the greater part of the year, and, when not so grazed, are habitually turned out during a portion of each day.

8. A cowkeeper shall not cause or allow any cowshed in his occupation to be occupied by a larger number of cows than will leave not less than *eight hundred feet* of air space for each cow.

Provided as follows:—

(*a*) In calculating the air space for the purposes of this regulation, no space shall be reckoned which is more than *sixteen feet* above the floor; but if the roof or ceiling is inclined, then the mean height of the same above the floor may be taken as the height thereof for the purposes of this regulation.

(*b*) This regulation shall not apply to any cowshed, constructed and used before the date of these regulations coming into effect, until two years after that date.

PART III.

9. In this part, the expression "Dairy" means a dairy in which cattle are not kept.

Lighting.

10. Every cowkeeper shall provide that every dairy in his occupation shall be sufficiently lighted with windows, whether in the sides or roof thereof.

Ventilation.

11. Every cowkeeper shall cause every dairy in his occupation to be sufficiently ventilated, and for this purpose to be provided with a sufficient number of openings into the external air to keep the air in the dairy in a wholesome condition.

Cleansing.

12.—(1) Every cowkeeper shall cause every part of the interior of every dairy in his occupation to be thoroughly cleansed from time to time as often as may be necessary to secure that such dairy shall be at all times reasonably clean and sweet.

(2) He shall cause the floor of every such dairy to be thoroughly cleansed with water at least *once* in every day.

Drainage.

13.—(1) Every cowkeeper shall cause the drainage of every dairy in his occupation to be so arranged that all liquid matter which may fall or be cast upon the floor may be conveyed by a suitable open channel to the outside of such dairy, and may there be received in a suitable gulley communicating with a proper and sufficient drain.

(2) He shall not cause or suffer any inlet to any drain of such dairy to be within such dairy.

Water Supply.

14.—(1) Every cowkeeper shall cause every dairy in his occupation to be provided with an adequate supply of good and wholesome water for the cleansing of such dairy, and of any vessels that may be used therein for containing milk, and for all other reasonable and necessary purposes in connection with the use thereof.

(2) He shall cause every cistern or other receptacle in which any such water may be stored to be properly covered and ventilated, and so placed as to be at all times readily accessible.

(3) He shall cause every such cistern or receptacle to be emptied and thoroughly cleansed from time to time as often as may be necessary to prevent the pollution of any water that may be stored therein.

For securing the Cleanliness of Milk-Stores, Milk-Shops, and of Milk-Vessels used for containing Milk for Sale by Persons following the Trade of Cowkeepers or Dairymen.

Cleanliness of Milk-Stores and Milk-Shops.

15. Every cowkeeper who is the occupier of a milk-store or milk-shop shall cause every part of the interior of such milk-store or milk-shop to be thoroughly cleansed from time to time as often as may be necessary to maintain such milk-store or milk-shop in a thorough state of cleanliness.

Cleanliness of Milk-Vessels.

16.—(1) Every cowkeeper shall from time to time as often as may be necessary cause every milk-vessel that may be used by him for containing milk for sale to be thoroughly cleansed with steam or clean boiling water, and shall otherwise take all proper precautions for the maintenance of such milk-vessel in a constant state of cleanliness.

(2) He shall, on every occasion when any such vessel shall have been used to contain milk, or shall have been returned to him after having been out of his possession, cause such vessel to be forthwith so cleansed.

For prescribing Precautions to be taken by Purveyors of Milk and Persons Selling Milk by Retail against Infection or Contamination.

17.—(1) Every purveyor of milk or person selling milk by retail shall take all reasonable and proper precautions, in and in connection with the storage and distribution of the milk, and otherwise, to prevent the exposure of the milk to any infection or contamination.

(2) He shall not deposit or keep any milk intended for sale—

(*a*) in any room or place where it would be liable to become infected or contaminated by impure air, or by any offensive, noxious, or deleterious gas or substance, or by any noxious or injurious emanation, exhalation, or effluvium; or

(*b*) in any room used as a kitchen or as a living room; or

(*c*) in any room or building, or part of a building, communicating directly by door, window, or otherwise, with any room used as a sleeping room, or in which there may be any person suffering from any infectious or contagious disease, or which may have been used by any person suffering from any such disease and may not have been properly disinfected; or

(*d*) in any room or building or part of a building in which there may be any direct inlet to any drain.

(3) He shall not keep milk for sale, or cause or suffer any such milk to be placed in any vessel, receptacle, or utensil which is not thoroughly clean.

(4) He shall cause every vessel, receptacle, or utensil used by him for containing milk for sale to be thoroughly cleansed with steam or clean boiling water after it shall have been used, and to be maintained in a constant state of cleanliness.

(5) He shall not cause or suffer any cow belonging to him or under his care or control to be milked for the purpose of obtaining milk for sale—

(*a*) Unless, at the time of milking, the udder and teats of such cow are thoroughly clean; and

(*b*) Unless the hands of the person milking such cow, also, are thoroughly clean and free from all infection and contamination.

Penalties.

18. Every person who shall offend against any of the foregoing regulations shall be liable for every such offence to a penalty of *five pounds*, and in the case of a continuing offence to a further penalty of *forty shillings* for each day after written notice of the offence from the Council.

Provided, nevertheless, that the justices, or Court before whom any complaint may be made or any proceedings may be taken in respect of any such offence may, if they think fit, adjudge the payment as a penalty of any sum less than the full amount of the penalty imposed by this regulation.

Commencement of the Regulations.

19. These regulations shall come into force on and after the day of 18 .

Revocation of Regulations.*

20. From and after the date on which these regulations shall come into force, all regulations heretofore made under, or having effect in pursuance of the Dairies, Cowsheds, and Milkshops Order of 1885, shall, so far as the same are now in force in the district, be revoked.

Extract from General Order, dated 23rd March 1891, prescribing Regulations as to * * * Inspectors of Nuisances.

Article 19 (7).

The Inspector of Nuisances "shall from time to time, and forthwith upon complaint, visit and inspect the shops and places kept or used for the preparation or sale of butchers' meat, poultry, fish, fruit, vegetables, corn, bread, flour, milk, or any other article to which the provisions of the Public Health Act, 1875, in this behalf shall apply, and examine any animal, carcase, meat, poultry, game, flesh, fish, fruit, vegetables, corn, bread, flour, milk, or other article as aforesaid, which may be therein; and in case any such article appear to him to be intended for the food of man, and to be unfit for such food, he shall cause the same to be seized, and take such other proceedings as may be necessary in order to have the same dealt with by a Justice: Provided that in any case of doubt arising under this clause, he shall report the matter to the Medical Officer of Health, with the view of obtaining his advice thereon."

* If this clause is not included in the series submitted to the Local Government Board for approval, it should be stated whether or not there are any regulations in force upon the subject.

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